

This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

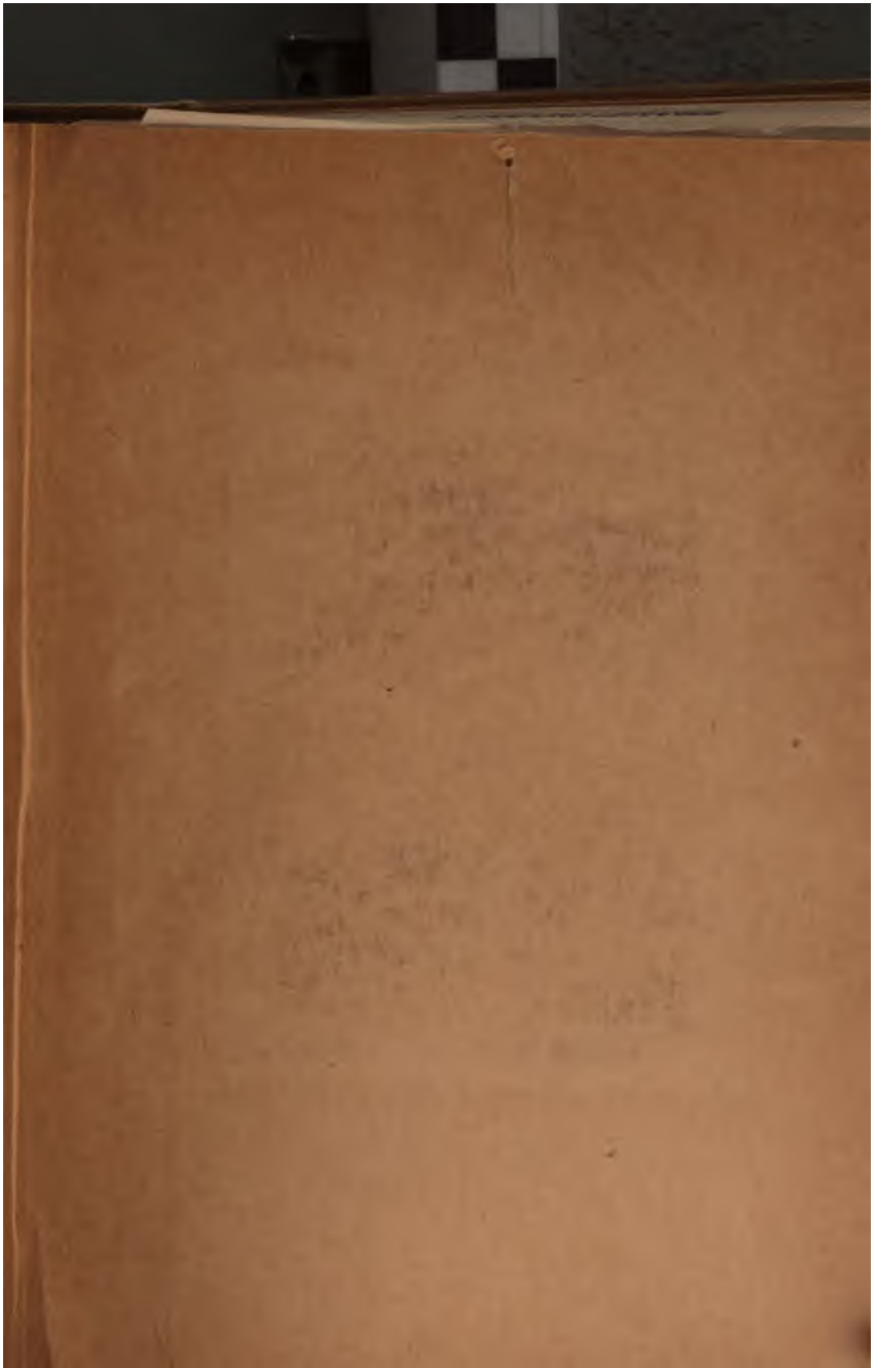
+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`



STANFORD·VNIVERSITY·LIBRARY







Woodward's Historical Series.

No. V.

HISTORICAL SKETCHES

OF THE

PAPER CURRENCY

OF

THE AMERICAN COLONIES,

PRIOR TO THE ADOPTION OF THE FEDERAL CONSTITUTION.

FIRST SERIES.

By HENRY PHILLIPS, Jr., A. M.

The earth hath bubbles, as the water hath,
And these are of them.—Macbeth.



PRINTED FOR W. ELLIOT WOODWARD.
ROXBURY, MASS.:
1865.

No.

Copy right secured according to act of Congress in the year 1865,
By HENRY PHILLIPS, Jr.,
In the Clerk's Office of the District Court of the United States for the Eastern District of Pennsylvania.

346815

EDITION OF 250 COPIES, AND 3 ON DRAWING PAPER.
50 COPIES ON LARGE PAPER.

PREFACE.

During the last few years, considerable attention has been drawn towards the subject to which this volume is devoted. The various issues of the paper money of the American colonies, and of the Continental Congress, extending over a period of nearly a century, had become an attraction to many persons who had entered into the pursuit of collecting them. Naturally they sought, but mostly in vain, for the information which was to explain the origin and history of the notes, and to guide them in their investigations. Some works bearing upon the subject were known to be in existence, but were not generally available, while the growing desire of a closer knowledge of their contents, caused continual inquiry and search to be made for them.

The fruitless results so often arising from such inquiries created in the mind of the present editor (and of most of the sketches the author) the design of bringing together,

in a compact form, suitable for reference and preservation, the most material part of such information extant, from the dawn of our annals to the present day. It is not the intention of the present volume to give a history of paper money in general, although there is much curious matter, not usually known, which might be stated in reference thereto. Long before the European civilization had reached the period where paper money becomes of service, this resource had been used by the nations of China and Tartary. A representative currency had existed even before the days of paper, when baked earth, porcelain, coal, salt, lime, cotton, fruit, shells, and even *human bones*,[1] had acted as a medium of trade. The step taken from a real currency of matter or of barter to an ideal one, betokens a high advance in civilization. The North American Indians, even, are said to have followed the example of the colonists, near whom they dwelt. *Pontiac*, in 1760, seventy years after Massachusetts Bay had set the example of the creation of paper money, issued pieces of bark stamped with his *totem*, which on presentation were redeemed by him.[2]

In the following pages it is proposed to give a short notice of the chief publications on the subject of the

[1] Evelyn's *Discourse on Medals.*

[2] Rogers's *Travels in North America*, quoted in the *Banker's Magazine.*

American paper money and of their principal characteristics.

In the year 1839, the Rev. Joseph B. Felt published a *History of the Massachusetts Currency*, a work of sterling value, now of not frequent occurrence, presenting among other matters an animated account of its paper money. Of the currency of *Rhode Island*, an interesting and elaborate sketch was about the same time prepared and *privately* distributed by Hon. E. R. Potter of that state, who on learning of the present undertaking, with great kindness furnished the present author with a revised and corrected copy, and gave his permission that it might be herein reproduced. Much thanks are due to him, and are hereby respectfully tendered.

The next to be considered is a pamphlet which, until recently, was the most difficult of acquisition of all that has been written upon the subject. In the year 1843 Hon. Samuel Breck, a venerable and esteemed citizen of Philadelphia, now shortly deceased, read before the American Philosophical Society a series of essays on the *History of the Continental Money*, which were afterwards privately printed by their author. The work was more for a *moral* than for any other purpose: to rescue the reputation of the statesmen of the Revolution from the reproach of having left unpaid the immense mass of public debt incurred by

the creation of paper money; to shew the causes why full liquidation did not take place. As the sketch was prepared for a special end, which was not a historical one, it will therefore, when viewed from the stand point of history, be found to contain many inaccuracies and to have omitted much valuable matter relating to its subject. At the dispersal of the library of the late Edward D. Ingraham in 1855, a manuscript copy of this pamphlet, in the holograph of that distinguished collector, illustrated with specimens of the currency, is said to have been sold for a large price. The pamphlet itself will probably be submitted to our readers in a later volume of the present series.

At St. Louis, Indiana, in 1851, there was published an account of the early American currencies: it is anonymous, and is known among the collectors as *The St. Louis Pamphlet.* It is excessively crude and inaccurate, but as forming part of the scant bibliography of the American paper money would have been reprinted in the present volume had not circumstances imperatively intervened. It is of very great rarity, and at the sale of the library of the late John Allan was sold for sixteen dollars.

Not much other information of importance exists. Mr. Wm. M. Gouge, in his *History of Paper Money and Banking in the United States*, furnishes a short general sketch of the colonial currency, but adds nothing to our stock of



knowledge, as most of the matter it contains has already been in print in better form. Its contents, as far as they relate to the Continental Money, are chiefly taken from the essays of Peletiah Webster, an eminent financier of the time of the Revolution, of whose works both Mr. Gouge and Mr. Breck have made liberal use.

The project of a general sketch of the histories of the Paper Money of the original colonies was formed in the mind of the present editor before the commencement of the war. It is impossible at this time to carry out the project in its entirety, as the materials for certain of the sketches do not exist in the Northern States. At a future day, and we trust a not far distant one, it is our intention to prepare the history of the North and South Carolina and Georgia Paper Money.

Not only to those immediately interested as collectors of Paper Money, but to all who may care to become acquainted with the earlier scenes in our country's drama, the present volume is submitted, with the hope that it may be found of interest and of utility.

HENRY PHILLIPS, JR.

Philadelphia, Jan. 2d, 1865.



CONTENTS.

				Page.
Introduction,.....				5
Sketch of	Pennsylvania	Paper Money,.....		9
do	New Jersey	do		58
do	Rhode Island	do		94
do	Virginia	do		191
do	Vermont	do		211

ERRATA.

Page 29—line 5 from bottom, for *was* read *and was.*
" 37—for *Anthony & Morris* read *Anthony Morris.*
" 45—for £11,000 read £12,000.
" 46—line 19, for £2, read £5.
" 71—*to* should be in roman letters.
" 72—for £12 10-100 read £12 10*s.*
" 75—for 1769 read 1764.
" 96—for £300,000 read £30,000.
" 103—for *Rode Island* read *Rhode Island.*
" 108—line 12, for 1847 read 1747.
" 110—for *Jones's Patent* read *Field's Patent.*
" 154—for 1690 read 1790.



AN

HISTORICAL SKETCH

OF THE

Paper Money issued by Pennsylvania,

TOGETHER WITH AN APPENDIX CONTAINING

A COMPLETE LIST OF ALL THE DATES, ISSUES, AMOUNTS, DENOMINATIONS, AND SIGNERS.

By HENRY PHILLIPS, Jr.

PENNSYLVANIA PAPER MONEY.

Pennsylvania lingered long behind her sister colonies in the emission of paper money: not until after many years had elapsed, during which they had experienced the advantages and disadvantages of a paper circulating medium founded upon the public credit, did she venture to take upon herself such a responsibility. Nor did she rashly or unadvisedly set herself to the task; the fate that had befallen the notes issued by the New England colonies, and by the Carolinas, and the great losses caused by their depreciation, warned her against yielding too much to the prevalent mania for a paper currency; and as prudence guided her rulers, she, till a late period, was free from the calamitous events brought upon the other colonies, by excessive and ill-guarded issues. Cautious, indeed, were her proceedings.

In the early days of the province, there is no reason to doubt, that the circulating medium was plentiful enough for the ordinary uses of life. Gabriel Thomas, in 1697, expressly says, that silver here was more plentiful than in England. How long this state of things continued, there

PENNSYLVANIA PAPER MONEY.

Pennsylvania lingered long behind her sister colonies in the emission of paper money: not until after many years had elapsed, during which they had experienced the advantages and disadvantages of a paper circulating medium founded upon the public credit, did she venture to take upon herself such a responsibility. Nor did she rashly or unadvisedly set herself to the task; the fate that had befallen the notes issued by the New England colonies, and by the Carolinas, and the great losses caused by their depreciation, warned her against yielding too much to the prevalent mania for a paper currency; and as prudence guided her rulers, she, till a late period, was free from the calamitous events brought upon the other colonies, by excessive and ill-guarded issues. Cautious, indeed, were her proceedings.

In the early days of the province, there is no reason to doubt, that the circulating medium was plentiful enough for the ordinary uses of life. Gabriel Thomas, in 1697, expressly says, that silver here was more plentiful than in England. How long this state of things continued, there

PENNSYLVANIA PAPER MONEY.

Pennsylvania lingered long behind her sister colonies in the emission of paper money: not until after many years had elapsed, during which they had experienced the advantages and disadvantages of a paper circulating medium founded upon the public credit, did she venture to take upon herself such a responsibility. Nor did she rashly or unadvisedly set herself to the task; the fate that had befallen the notes issued by the New England colonies, and by the Carolinas, and the great losses caused by their depreciation, warned her against yielding too much to the prevalent mania for a paper currency; and as prudence guided her rulers, she, till a late period, was free from the calamitous events brought upon the other colonies, by excessive and ill-guarded issues. Cautious, indeed, were her proceedings.

In the early days of the province, there is no reason to doubt, that the circulating medium was plentiful enough for the ordinary uses of life. Gabriel Thomas, in 1697, expressly says, that silver here was more plentiful than in England. How long this state of things continued, there

PENNSYLVANIA PAPER MONEY.

Pennsylvania lingered long behind her sister colonies in the emission of paper money: not until after many years had elapsed, during which they had experienced the advantages and disadvantages of a paper circulating medium founded upon the public credit, did she venture to take upon herself such a responsibility. Nor did she rashly or unadvisedly set herself to the task; the fate that had befallen the notes issued by the New England colonies, and by the Carolinas, and the great losses caused by their depreciation, warned her against yielding too much to the prevalent mania for a paper currency; and as prudence guided her rulers, she, till a late period, was free from the calamitous events brought upon the other colonies, by excessive and ill-guarded issues. Cautious, indeed, were her proceedings.

In the early days of the province, there is no reason to doubt, that the circulating medium was plentiful enough for the ordinary uses of life. Gabriel Thomas, in 1697, expressly says, that silver here was more plentiful than in England. How long this state of things continued, there

is no record, but the exigencies of trade with Great Britain soon drained off the current coin, and we find, in 1719, that a proposition was before the legislature relative to making produce a legal tender for debts. This measure, however, was not carrried into effect, and Pennsylvania suffered until 1723, when a paper currency was adopted. Two years previously the question had been agitated, but no favorable action had resulted.

On the second of January, 1722-3, a petition was presented to the house of assembly from a number of merchants and others, inhabitants of the city of Philadelphia, setting forth "*that they were sensibly aggrieved in their estates and dealings to the great loss and growing ruin of themselves, and the evident decay of the province in general, for want of a medium to buy and sell with,*" and praying that a paper currency might be established. On the same day a petition from some of the residents of Chester county was also presented *against* the creation of a paper currency, but desiring that the produce of the province should be made a currency, that the current money should be raised in value and its exportation prohibited. Others from this county and the county of Bucks united in favor of a paper currency. These were referred to the committee on grievances, who reported, as to the Philadelphia one, "that it contains matters of fact, and what they believe to be true, and worthy of weighty consideration, and refer it to the house:" as to the petition from Chester, they "refer to the house, whether the raising the cash or striking paper money will be most to the advantage of the province? but humbly presume if dollars were raised to *five shillings* a

piece, it might be of benefit, and they think it would be impracticable to prevent the exportation of specie; they are of opinion, that if a law was made to make the country produce, at market price, pay for servants, goods imported, and to discharge judgments and executions, it would be of public service."[1]

On the eighth day of the same month, the house resolved "that it was necessary that a quantity of paper money, founded on a good scheme, should be struck and imprinted," and at the same time determined that "lion or dog dollars, weighing sixteen pennyweights or upwards, shall pass for five shillings."

Several interchanges of opinion took place between the assembly and the governor, resulting, on the twenty second day of March, 1723, in the passage of an act for emitting *fifteen thousand* pounds in bills of credit. Knowing that an over issue produced depreciation, and that depreciation was the great danger to be guarded against, with the warning examples of the other colonies constantly before their eyes, this moderate sum at first sufficed. Not without opposition from some prudent persons was the matter carried through.

The bills were to be loaned out on land security or plate of treble value (at five shillings per ounce), deposited at the loan office, and at five per cent. interest; they were made a tender in payments of all kinds, under penalty of voiding the debt, or forfeiting the commodity, and annual payments were to be made by the borrowers of the in-

[1] On the 5th of February such an act *was* passed.

terest, together with one-eighth of the principal. To sign them, four gentlemen were appointed, for which service they were each to receive twenty pounds. A loan office for their emission was created, and Samuel Carpenter, Jeremiah Langhorne, William Fishbourne and Nathaniel Newlin, were appointed trustees,[1] to be paid annually a salary of fifty pounds each.

The preamble of the act recites the difficulties under which the colony labored for want of a currency, and the act itself gives full particulars, together with the form of the bill, as follows:

"This Indented Bill of current money of *America*, according to the act of Parliament made in the sixth year of the late Queen ANNE *for ascertaining the rates of foreign coins in the Plantations*, due from the Province of Pennsylvania to the Possessor thereof, shall be in Value equal to money and be accepted accordingly by the Provincial Treasurer, County Treasurer and the Trustees for the General Loan office for the Province of *Pennsylvania*, in all publick payments and for any fund at any time in any of the said Treasuries and Loan Office. Dated at *Philadelphia*, the day of in the year of our LORD *one thousand seven hundred and twenty-three*, by order of the Governor and General Assembly."

Upon the notes, which ranged in value from *one* to *twenty* shillings, about the middle of the left side were to be impressed the arms of Pennsylvania.

Several supplements were passed during the same year amending and qualifying various sections of the act, but are of no importance.

[1] These trustees of the loan office were often changed.

So great were the benefits which seemed to accrue to the province from this addition to their currency, and so immediately were they felt, that in December a new issue of thirty thousand pounds on the same terms and restrictions was ordered to be made.

In March, 1726, an act was passed for reëmitting and continuing the currency of the bills as they came back into the loan office, and to replace such as had become torn or defaced a further sum of *ten thousand pounds* was ordered to be struck. This amount did not *add* to the currency in circulation, which remained as before, forty-five thousand pounds.

In October a letter was received by the governor from the lords of trade, &c., in England, dated May 11th, 1726, in reference to the two paper money acts of 1723 and their supplements.

It set forth the evil consequences that had resulted in the other colonies from the issuing of bills of credit, and stated that naught restrained them from laying these bills before his majesty, to be repealed,[1] save tenderness alone to the innocent holders in whose hands they might be; and if any futher acts were passed, creating more bills of credit, in addition to those already issued, means would be taken to have them disallowed; and it concluded by requesting "that the funds appropriated for the payment of these bills should be duly applied."

[1] This in one instance was actually done. An inordinate issue of paper money made by Barbadoes, in 1706, was after several years' existence, disallowed, though the bills had been long in circulation, and great suffering resulted from their repudiation.

This letter the governor transmitted to the assembly, with a message stating that the act which had passed early in this year, before its receipt, should be laid before the lords of trade and their approval secured; and as it did not increase the existing currency, no objections were made.

The bills soon became the prey of rogues, who successfully counterfeited them, to an alarming extent, though at the risk of a severe punishment. The acts provided that counterfeiting should be punished by the loss of both ears, by a fine of one hundred pounds, and a payment of double the value of the loss sustained by those aggrieved by the fraudulent bills; and in case of inability to pay these sums the offender was to be sold into service for seven years.

But this did not prevent large quantities of fraudulent paper from being put in circulation, which appears to have been chiefly manufactured in Ireland and exported hither.[1]

In New Jersey it was so successfully practised, that within four years after their first emission it was found necessary to call in the whole, as it was not possible to discern between the good and bad notes.

To remedy this, on the bills emitted by Pennsylvania in 1726, there was ordered to be imprinted the figure of a crown on those of five shillings, of two crowns on those

[1] New York, Mar. 13, 1726. Publick notice is hereby given that at Philadelphia they have found out some twelve shilling bills that are counterfeit. They are newly printed, and very artfully signed. In the flourish in the top of the bill there is the representation of a *basket*, which in the counterfeit is much finer than in the true bills, and the great C is much plainer than in the true bill.—Bradford's *New York Gazette*.

of ten, three on those of fifteen, and four on those of twenty shillings. This simple device was held to afford sufficient protection against fraud in the state of the arts then existing in the province.

As the expiration of the eight years drew near, the term to which the forty-five thousand pounds had been originally limited, great uneasiness was felt at the approaching withdrawal from circulation of so much value, and it was feared that the colony would soon be left without a currency proportioned to its commercial requirements. To remedy this, in May, 1729, Patrick Gordon, the then governor, in direct contravention of the instructions of the lords of trade, but believing the great wants of the colony and its real welfare to be his sufficient excuse, gave his assent to a law authorizing the issue of thirty thousand pounds in bills of credit, to be loaned upon the same terms as the former emissions, and to be redeemed by the annual payment of one-sixteenth part of the principal, as well as the accrued interest; and in 1731, on the expiration of the time originally limited, the previous issues were renewed by act of assembly, and *forty thousand pounds* in new bills were ordered to be struck, to be exchanged for bills emitted before August 10, 1728, which bills were after the *first of March*, 17$\frac{3}{4}\frac{1}{2}$ to be *irredeemable.*

Franklin[1] was instrumental in procuring this result: his pamphlet, entitled "A modest inquiry into the nature and necessity of a paper currency," set forth so strenuously the

[1] Sparks's *Life and Writings of Franklin*, ii, 253, et seq.

benefits which were to accrue to the province from a further addition to their currency, that the measure could not be gainsaid, and passed the legislature.

The friends of paper money, considering him to have been of great service, rewarded him with the *job* of printing the money: "a very profitable job, and a great help to me." This occupation remained to him both alone and, after 1748, in partnership with D. Hall, until 1764: the notes of that year being the last which bear his imprint.

The colony now had a seemingly sufficient currency for its needs of trade, and accordingly not until 1739 is there a record of other issues; in that year it was deemed advisable to call in all the bills then in circulation, and to replace them with others of a new impression.

A committee appointed by the assembly, on the state of the currency, reported that

In 1723 there were emitted	£45,000
of which in 1726 there were burnt	6,110 5*s.*
In 1729 there were emitted	30,000
and that the amount now in circulation was	68,889 15*s.*

This was not deemed sufficient for the trade and wants of the colony, and a further issue of £11,110-5*s.* was recommended. This amount making in all £80,000 was, accordingly, enacted into a law.

Accompanying this report was the following[1] table of the price of gold and silver from 1700 until that time:

[1] This table was given incorrectly in the *first edition* of this work; having followed Hazard's *Register of Pennsylvania*, and Proud's *History of Pennsylvania*, both of which differ from the journals of the assembly fromwhich the present table is taken.

	Gold per ounce.	Silver per ounce.
"1700 to 1709,	£7 0 0	9*s.* 2*d.*
1709 " 1720,	5 10 0	6 10½
1720 " 1723,	5 10 0	7 5
1723 " 1726,	6 6 6	8 3
1726 " 1730,	6 3 9	8 1
1730 " 1738,	6 9 3	8 9

"And now in the present year 1739 gold is purchased and sold at £6 9*s.* 3*d.* per ounce, and silver at 8*s.* 6*d.* per ounce.

Philadelphia, November 23, 1739."

Signed by Isaac Norris, Thomas Leech, Abraham Chapman, James Morris, John Hearsely, and Israel Pemberton.

The punishment for counterfeiting was now changed to *death*, and the former penalties were reserved for those who should alter the notes from lower denominations to higher ones.

During all this time, the notes, having ample provision made for their ultimate extinction,[1] circulated freely at their value, superseding the bills of other colonies, which had until then constituted the chief part of the currency. The only trouble which arose from this paper currency was due to the action of the proprietaries: they demanded and received in payment of their quit rents the difference of exchange on England, and an annuity of *one hundred and thirty pounds* per annum, during the currency of the notes. Their conduct gave rise to much animadversion, and sowed the seeds of future trouble between them and the province.

[1] Of the old £68,889 15*s.*, there have been destroyed, as appears from the various treasurers' reports, £66,966 12*s.*

No further legislation was now needed until 1744, when a sum of ten thousand pounds was emitted to replace old, torn or ragged notes; this did not add to the gross amount in circulation. The lords of trade in England had for some time been inquiring into the state of the paper money issued by the colonies, and in answer to them, in 1749, a report was prepared by a committee of the assembly for transmission to England. It stated that "in 1745 the currency of the £80,000 was continued for sixteen years. That in 1746 a further sum of £5,000 was emitted in bills of credit for the king's use, to go towards equipping the Canada expedition. That the amount, therefore, in circulation, £85,000, was not sufficient for the wants of the colony," and praying for a further issue of notes. This, however, could only be granted to a limited extent, and in October there were emitted *five thousand pounds* to exchange for old and torn notes, and to serve for change. They were therefore of small denominations, and we find by subsequent treasurers' reports, from year to year, that in 1759 the last bills of this emission were entirely destroyed.[1]

These early notes possess an additional interest from the fact that the names of prominent Philadelphians are frequently to be found on them. It seems to have been considered an honor to be permitted to sign the bills, as petitions were frequently presented to the legislature from persons desirous of being appointed to such offices. The records of the Pennsylvania hospital show, that

[1] Of these notes of 1746, the last were destroyed in 1757.

many of the signers liberally presented to it the compensation they had received for their services.

[1]In 1753 began a struggle that lasted for several years between the assembly, the representative of the people and their wants, and the governor, the deputy of the proprietaries. The supposed general need of more circulating medium led during the session to the framing of several acts for emitting bills of credit; these the governor, holding himself strictly bound by the instructions of the lords of trade not to pass any such bills without a clause suspending their operation until the king's pleasure should be known, either refused to assent to, or else returned them with amendments, which the house considering as encroachments on their liberties refused to accept.

In February of the following year, the house adopted the following resolutions:

"1*st. That it is necessary the paper money of this province should be reëmitted for a further time.*

2*d. That there is a necessity of a further addition to the paper money of this province.*

3*d. That there is a necessity that a sum should be struck to exchange the ragged and torn bills now current by law in this province.*"

Accordingly, several bills were successively prepared and passed by the assembly, but against which the same circumstances operated to prevent their becoming laws.

In August, at a special session of the assembly, in con-

[1]See appendix.

sequence of the danger from the border Indians being imminent, a bill for issuing £35,000, whereof £15,000 should go to the king's use for the protection of the frontier, was passed, but amendments being as usual thereunto added by the governor, it failed to receive the sanction of the house.

In March, 1755, a bill was passed, granting £30,000 to the king's use, to be emitted in bills of credit, for the support of Braddock's expedition; this the governor returned, with a message stating that the house, in defiance of him, *by its mere resolves* had put in circulation fifteen thousand pounds in bills of credit, payable to bearer, and although the house refuted this, by showing that they were merely bills drawn on the provincial treasurer[1] in payment of stores for the expedition, yet his assent was not given to its becoming a law.

On the 21st of June the assembly passed two bills, one creating ten thousand pounds for exchanging the old and torn bills then in circulation; the other for issuing fifteen thousand pounds in bills of credit, for the king's use.

In reply, the governor acknowledged the necessity in the colony of more bills of credit, but desiring to know how much of the former appropriation for exchanging the old and torn bills still remained in the hands of the trustees — stating that at the last settlement the sum was *£3,302 6s. 8d.* Being answered that the amount now remaining was £1,302 6*s.* 8*d.*, he gave his sanction to the act for emitting the *ten thousand pounds*, but to the fifteen

[1] These bills appear, by subsequent treasurers' reports, to have been entirely destroyed.

thousand pounds act he added amendments, which, not being concurred in by the house, caused its total loss.

A new system of finance was in these bills inaugurated. Heretofore the notes issued had been loaned out at interest as so much money, and were payable in certain installments. Trade had prospered, imports had increased, the notes themselves were eagerly sought for in the other colonies; public improvements, stores, dwelling houses, &c., had been erected on these loans, the terms of which were much more favorable than could have been obtained from a private individual; and could this course have been for ever continued, loss by depreciation would never have resulted. But the exigencies of the colony no longer permitted this cautious procedure, that had so greatly benefited it.[1]

Large sums were required for instant use, loans could not be had, and there were no means of obtaining the desired amounts, except by anticipating the revenues of the future and emitting bills of credit, to be redeemed by taxation within given periods. The taxation was the chief cause of the strife between the people and the governor, as the lands of the proprietaries were taxed in the same

[1] This cautious policy had been approved of in England, and Pennsylvania was exempted from the provisions of an act of parliament, passed in 1751, to restrain the northern colonies from issues of paper money.

Governor Pownell bestows high praise on this paper system: "I will venture to say," he declares, "that there never was a wiser nor better measure, never one better calculated to serve the interests of our increasing country; that there never was a measure more steadily pursued or more faithfully executed, for forty years together, than the loan office in Pennsylvania, founded and administered by the assembly of that province."

manner as the rest of the province; to this they objected, and in their instructions to their deputy, forbade him to permit to be enacted any law which should contain any such clause. The people believing that with themselves alone resided the right of taxation, and seeing no reason why the proprietaries should be exempt from the burdens which enured as much to their benefit as to that of the inhabitants, strenuously, and in the end, successfully resisted this, deemed by them, attempted usurpation of their powers.

As their wants became known, the legislature hesitated less and less to grant the desired relief. Paper money was voted from time to time to be issued, for various occasions, and to the acts creating it, the governor, after unavailing efforts, but wearied with the long contest, was obliged to give his assent.

After the defeat of General Braddock, the alarm felt in the province caused *sixty thousand pounds* to be voted for the king's use, whereof fifty-five thousand pounds were to be emitted in bills of credit, bearing date January 1, 1756, and to be redeemed by taxation.[1] In August, after the usual contention, thirty thousand pounds were issued to be current for ten years.

The public exigencies and the alarming situation of the colony caused the approval of these laws, although all the objectionable features were still retained.

In 1757, 1758 and 1759, three hundred thousand pounds

[1] Colonel Bouquet writes to thank Dr. Franklin for his services in procuring the passage of this act.—Sparks's *Life and Writings of Franklin*, vii., 263.

in paper money were scattered into circulation. In June of the last year, a further issue of £36,650 was ordered to reimburse the military agent of the colonies at Philadelphia.

To the passage of this act the governor and council objected, not thinking it necessary. There were then in circulation bills of credit to the amount of *three hundred and eighty-five thousand pounds.*

The act, however, was passed, regardless of their dissenting voices. When, however, it came to be presented to the king in June, 1760, for his approval, it was declared to be null and void. The law of April, 1759, would have shared the same fate had not Benjamin Franklin and Robert Charles, who were at that time in London, acting as the agents for the province, engaged that the legislature should expunge the objectionable features, and alter the law to a proper nature.

The bills authorized by the legislature in 1759, were actually issued before the repeal of the law had become known. When the action of the king and council had been communicated to the assembly, the notes were recalled, and from the treasurer's annual reports we find that authorized redemption has taken place to the amount of £35,795.

Between 1760 and 1769, bills of credit to the amount of £175,000 were authorized, and during the same period the paper currency to the amount of £200,000 was destroyed. The attention of parliament was again called to the subject of the currency of the colonies. In 1764, they passed an act which prevented any bills of credit

hereafter emanating in the colonies from being declared to be a legal tender. It was hoped by this means to check the ruinous flux of paper which was believed by the uncertainty of its value to be injuring the British merchants who traded to America. Franklin argued strenuously against these and similar views. The enlightenment of posterity has cleared away all doubt as to the relative values and uses of paper money and coin.

The merchants of Philadelphia several times took in charge the matter of the currency. The most notable thing they did was, in 1742, to appraise the value of the dollar at *seven shillings and sixpence*, at which it finally rested.

The following advertisement, taken from the *Pennsylvania Gazette*, dated Sept. 16, 1742, is curious and worthy of preservation, inasmuch as giving the *exact time* when the change of the dollar took place.

Pennsylvania Gazette, September 16, 1742.

"Whereas, gold and silver, since the emission of paper money, has not been current among us at any fixed or certain rate: which has been of great disadvantage to the trade and commerce of this province; for remedying this evil for the future, we, whose names are hereunto subscribed, from and after the date hereof, give public notice, and do severally oblige ourselves and promise that we will receive in all payment,

English guineas, at 34*s*.
French guineas at 33*s*. 6*d*.
The large Portugal pieces at £5 15*s*., and so in proper proportion for all lesser Portugal gold coins.

Dutch or Guinea ducats at 14*s*.
The German pieces called *Carolines*, at 34*s*.
Arabian chequins, at 13*s*. 6*d*.
All milled French pistoles, at 26*s*. 6*d*.
AllSpanish pistoles weighing not under 4 *dwt*. 6 *gr*. at 27*s*.
And all sort of gold coins of whatsoever denomination, not before mentioned, after the rate of £6 5*s*. per oz.

French silver crowns and Spanish milled pieces of eight at *seven shillings* and *sixpence*, and all good coined Spanish silver at eight shillings and sixpence per oz. And we do further promise and declare that we will not directly or indirectly allow any more for gold and silver than at the rates herein mentioned, nor will we ask, demand, or receive any more from any persons whatsoever for any sums we pay, receive or exchange of the above specified gold and silver coins. And we consent to have this agreement to be in force for *three years* from the date hereof, and to be published in the *newspapers*.

In testimony of our willingness to comply and agree to the above engagement, we have hereunto subscribed our hands this first day of September, 1742.

Signed by 75 persons.

(Clement Plumstead, one of signers, excepts the Carolines).

In 1766 an effort was made to supply an alleged deficiency of the circulating medium, by emission of promissory notes by an association of merchants of the city of Philadelphia. These notes were to the amount of

£20,000, of the denomination of £5 each, with 5 per cent interest, payable on demand; and although they were declared by the attorney general of England not to contravene the laws, yet, in consequence of remonstrances being presented to the assembly, this early attempt at banking proved abortive.

The colony itself in 1769 authorized two issues of thirty thousand pounds. The first creation of paper money of that year (bearing date March 1st, amounting to £16,000), whereof £15,522 16*s.* have been redeemed, was extensively counterfeited. In 1773, Governor Richard Penn was forced to issue a proclamation offering a reward of £500 for the detection of the offenders. The notes were called in, and have been almost entirely destroyed.

The second issue was for the aid of the managers of the Bettering house, Philadelphia, and is expressed on its face to be emitted by the "treasurer of the contributors for the relief of the poor."[1]

In March, 1771, in consequence of the alarm felt by the colonies, from the hostile attitude of the French, an issue of £15,000 was ordered for the defence of Philadelphia: never having been actually called into use for that purpose, the surplus was applied towards paving and grading the streets of the city.[2]

The temptation to overcome instant wants by means of large sums payable in the future, still hovered around the legislature, and in the following year (1772), *twenty*

[1] Of this issue there have been destroyed £3,207 0*s.* 8*d.*

[2] Of this issue there have been destroyed £9,924 10*s.*

five thousand pounds were emitted for the support of the government.[1]

In 1773 two creations of paper money took place; the first amounting to £12,000, and bearing date the twentieth day of March, was for the support of the light house at Cape Henlopen, and for the purpose of placing buoys, &c., in the Delaware river and bay; these notes bear on the reverse the representation of a light house with ships, buoys &c., and on the face around the sides are printed the words "Light House, Pier, and Buoys." Another issue, in amount £6000, and bearing the same devices, was made in the early part of the year 1775.

The second issue of this year (1773), bears date the first day of October; it amounted to *one hundred and fifty thousand pounds*, and is only remarkable on account of the attempted resuscitation of the loan office system. But the times had changed, and the device was no longer fortunate. Many of the signers and trustees refused or neglected to act, and although several supplements were passed to render the scheme a more harmonious one, and to smooth away the difficulties which had been encountered, yet the outbreak of the war of Independence found the loan office in confusion, and its operations no longer practicable.

The next noticeable issue bears date April 10, 1775, was for the purpose of erecting a jail in Philadelphia; it bears on its reverse a representation of that building, which was the edifice long known as the Walnut Street Prison, and which was the scene of the barbarities practised by the

[1] Of this issue there have been destroyed £9,446 0*s.* 2*d.*

infamous Cunningham, upon the captured Americans, while the city was held by the British: it was also at a later period the spot where was incarcerated Robert Morris, when the failure of his gigantic schemes had exhausted his fortune and his credit. These notes are commonly, but incorrectly, believed to represent the Independence Hall.

The early notes of the colony seem to have kept their credit well, and had not the revolution intervened, they would all have been redeemed at par, as ample funds were always provided by taxation or excise duty, in the same act that issued the bills, for their gradual but certain extinction; and in the annual reports presented by the treasurer of the colony to the assembly, mention is always made of bills of credit brought in and destroyed.

But the battle of Lexington aroused the colony. On the 30th of June, 1775, a provisional government was appointed by the assembly, called a *committee of safety*, to look to the defence and arming of the colony; and to carry into effect the objects of their appointment, the assembly resolved to emit the sum of £35,000 in bills of credit, to bear date July 20th, 1775. The mere issuing of these bills was an act of rebellion, as they were emitted by the mere *resolve* of the assembly in defiance of their charter, and without reference to the governor; and yet these notes, and those issued by resolution of Nov. 18th, same year, (bearing date Dec. 8,) and of April 8, 1776, (date April 25,) still hold in its accustomed place the name of "*His Majesty, King George the Third.*"

Long afterwards these bills were known and spoken of

in acts of assembly as "*the resolve money*," taking the name from the circumstances of their issue.

In March, 1777, it was resolved to emit £200,000 for the support of the army, and here the authority of "the commonwealth of Pennsylvania," appears for the first time.[1] Various laws had been passed from time to time to call in the bills emitted during the dominion of Great Britain, and in 1778, congress requested the states to end the currency of notes issued prior to the 19th of April, 1775, as they had fallen into the hands of persons unfriendly to the new government who held them, and made a discrimination in their favor, believing that they would ultimately be redeemed, whether the subsequent ones were or not; by this means causing the notes issued by the authority of congress and of the several states to depreciate in value. Accordingly on the 23d of March, 1778, the legislature passed an act declaring such notes no longer to be a legal tender after the first of June, but that until that time they might be received at the treasury in payment of taxes, in exchange for later notes, &c. In the case of nonresidents, the time for presenting them was extended to the first day of August; and by a subsequent act, the issue of September 30th, (date Oct. 25th,) 1775, of £22,000 for the support of the government, was included within its provisions.

Previously to this, Pennsylvania had by law, in January, 1777, declared the notes issued by congress to be a legal tender, and had imposed heavy penalties on those who

[1] These notes seem to be of two varieties; one being printed in red ink, the other in black.

should refuse to receive them at their nominal value, and on those who should counterfeit or alter them.

In March, 1780, the state emitted £100,000 for the support of the army; and to provide a fund for their redemption, the executive was empowered to sell certain properties in the city of Philadelphia, as well as Province island[1] in the township of Kingsessing: so well have these provisions been carried into effect that none of the notes are believed to be now in existence and unredeemed. The act under which these bills were issued furnished another example to show how the most consummate tyranny is often exercised by even the most zealous devotees of liberty: not content with making the notes a legal tender, with declaring a refusal to take them an acquittance of the debt, the legislature, in the following December, passed a supplementary act whereby they inflicted upon the first offence, a fine in value of double the sum offered; and upon the second, imprisonment to last during the war, together with confiscation of one-half of the offender's lands, goods and chattels.

About the same time congress passed a resolution calling on the states to contribute in certain proportions towards the support of the government, and for that purpose they were to emit notes of a certain fixed form, the same for all the states, redeemable in six years, and bearing interest, of which, as well as of the principal, the payment was guarantied by the United States, who "would draw bills of exchange therefor when thereunto requested." Accordingly in June, Pennsylvania emitted $1,250,000 in

[1] These bills became known as the '*Island money*' from that circumstance.

notes, that long after bore the name of *the dollar money*. In May, an act had been passed to receive the old continental money, at one dollar in specie for forty in notes, and this emission was to be issued as specie on that basis.

In October a scale of depreciation was adopted, and certificates of pay due to the Pennsylvania Line founded thereon, were issued, receivable in payment for the public lands, and the depreciation was ordered to be ascertained and published every month in the Philadelphia Gazettes. In April, 1781, the following scale of the depreciation of paper compared with silver and gold was adopted by the legislature:

	1777.	1778.	1779.	1780.	1781.
January,.....	1½	4	8	40½	75
February,.....	1½	5	10	47½	75
March,.....	2	5	10½	61½	
April,.....	2½	6	17	61½	
May,.....	2½	5	24	59	
June,.....	2½	4	20	61½	
July,.....	3	4	19	64½	
August,.....	3	5	20	70	
September,.....	3	5	24	72	
October,.....	3	5	30	73	
November,.....	3	6	38½	74	
December,.....	4	6	41½	75	

And at the same time *five hundred thousand pounds* were ordered to be emitted for the support of the army, of which £200,000 were to replace the issue of 1777, and the old currency at the depreciated value according to the scale. Ample funds were pledged to the redemption of this issue, and according to the report of the state treasurer in 1805,

there remained outstanding and unredeemed only £4,140 3*s.* 7*d.* By this act, (1781), the dollar was now legally rated at seven shillings and sixpence.

In June the old continental bills and the "resolve money" were declared to be no longer a legal tender, and could be received only at the treasury and at their current value. Acts were passed from time to time to facilitate the calling in the bills of credit, and to increase the objects for which they could be received in payments at the treasury.

In 1783, a small amount was issued in treasury notes, of which an entire redemption has taken place. No further creation of paper money was made until March, 1785, when, after a long discussion, and the rise, as in other States, about the same time, of a *paper money party*, the apparent need of an increased currency led to the establishment of a loan office of *one hundred and fifty thousand* pounds, upon the conditions of the former times. Funds sufficient were set apart for the redemption of the bills, and twenty thousand pounds were directed to be annually called in and destroyed. But the people, even those who had been the most clamorous for such issues, could not place full confidence in the new notes. The most solemn pledges not long before made and broken, were too fresh within their recollections for entire faith at once to be given to the promises of their government. Depreciation ensued, and so rapidly, that although the merchants and prominent citizens of the state by means of their own examples and of associations formed for that purpose, endeavored to prop their sinking credit, yet the legislature was obliged to

recall the notes within a time much closer to their original creation than had been the first intention. Petitions constantly were showered upon the assembly from the people, complaining that these bills had ceased to circulate as a currency, and were only used in payment of state taxes; as, at different places they could be obtained at different values, great complaint arose, and with justice, that the taxes were not equally distributed among the people.

The withdrawal of these notes was expedited by the issue of certificates of state loan, in exchange for them and the old Continental loan office certificates, which was the beginning of the present fiscal history of the state. Of this issue the report of the state treasurer, in 1805, states that the whole amount has been redeemed except the sum of £2,792 8*s*. 1*d*.

By the act of December the 4th, 1789, the "resolve money" and the issue of 1777 were no longer to be received at the treasury after the 1st of January, 1791, thus entirely destroying their vitality.

From time to time acts were passed to facilitate the redemption of the issues of 1781, of 1785, and of "the dollar money," the final disposition of the subject being made by a law passed on the fourth day of April, 1805, which recited that, "as now sufficient time had been allowed for the redemption of the bills of credit of this commonwealth, that all such bills outstanding and not paid into the treasury before the second Tuesday in January, 1806, *should be forever irredeemable.*"

This is believed to be the last legislation in the state upon this subject.

Within a short compass Pennsylvania presents a complete specimen of the paper currency of the colonies. Reducible to three varieties, she furnishes them all within her history.

Bills of credit in the colonies were issued either on loan, or to furnish support for the ordinary operations of the government, or to meet some sudden emergency. No great fluctuations in value are recorded in this province, the utmost limit of depreciation in colonial times being recorded as happening in 1748, when the value of exchange on England was 180.

Franklin speaks of the value of the coin changing by agreements among the merchants as to the relative rates at which it was to be taken, and mentions the dollar as fluctuating from that cause, but expressly says this was before the introduction of *paper money*. At the time of the first issue of paper money, the dollar, as has been shown, was settled at five shillings, although the proclamation of 6th Queen Anne had rated it at four shillings and sixpence. These dollars were what were called the lion or dog dollars, and were frequently mentioned in the legislation of the other colonies. Some persons, holders of the notes, cherishing the fond hope that the state would ultimately redeem her obligations at the value expressed on their face, neglected or refused to present them at the treasury before the expiration of the time limited for their redemption at the depreciated rates fixed by law; it is principally to this circumstance that the present generation is indebted for the many specimens of the financiering schemes of former days.



APPENDIX.

A.

A Catalogue of the Issues of Pennsylvania Bills of Credit, comprising their Amounts, Denominations, and the Names of the Persons appointed to sign them, from 1723 *to* 1785.

1723.

March 23, £15,000.

6,000 notes, each of 20*s.*, 10*s.*, 5*s.*, 2*s.*
4,000 do 15*s.*, 2*s.* & 6*d.*
8,000 do 1*s.*

To be signed by any three of Charles Read, Benjamin Vining, Francis Rawle, Anthony Morris.

December 12, £30,000.

18,000 notes, each of 20*s.*
8,000 do 15*s.*
5,000 do 10*s.*
6,000 do 5*s.*, 2*s.* & 6*d.*, 2*s.*
4,000 do 1*s.* & 6*d.*
7,000 do 1*s.*

To be signed by any three of Francis Rawle, Charles Read, Anthony Morris, and Samuel Hudson.

1726.

March 5, £10,000.

5,000 notes, each of 10*s.*
20,000 do 5*s.*

8,000 notes, each of 2*s.* 6*d.*
3,000 do 2*s.*
10,000 do 1*s.* 6*d.*
9,000 do 1*s.*

To be signed by Evan Owen, John Wright, Thomas Tresse.

1729.

May 10, (date of note, September 15,) £30,000.

15,000 notes, each of 20*s.*
2,000 do 15*s.*
12,000 do 10*s.*, 2*s.*
16,000 do 5*s.*
4,000 do 2*s.* 6*d.*
17,000 do 1*s.* 6*d.*
10,500 do 1*s.*

To be signed by any three of Thomas Tresse, Edward Horner, John Parry, and Abraham Chapman.

1731.

February 6, to reëmit and continue the original £45,000, and to strike £40,000 thereof in new bills.

4,000 notes, each of 1*s.*, 1*s.* 6*d.*
5,000 do 2*s.*
8,000 do 2*s.* 6*d.*, 15*s.*
12,000 do 5*s.*
10,000 do 10*s.*
24,000 do 20*s.*

To be signed by any three of Job Goodson, John Parry, Joseph Kirkbride, and Thomas Griffiths.



1739.

May 1st, (date of note, August 10,) £80,000.

10,000 notes, each of 1*s.*, 1*s.* 6*d.*, 2*s.*, 2*s.* 6*d.*
30,000 do 5*s.*
40,000 do 10*s.*
20,000 do 15*s.*
34,000 do 20*s.*

To be signed by any three of Thomas Leech, William Mounington, Abraham Chapman, Joseph Harvey, and Samuel Smith.

1744.

May 26, £10,000.

20,000 notes, each of 1*s.*, 1*s.* 6*d.*, 2*s.*, 2*s.* 6*d.*
12,000 do 5*s.*

To be signed by James Morris, Abraham Chapman, and Peter Lloyd.

1746.

June 24, £5,000.

30,000 notes, each of 4*d.*, 6*d.*, 9*d.*
2,625 do 20*s.*

All below 20*s.* to be signed by two, and the 20*s.* to be signed by three of James Morris, John Hall, Joseph Harvey, and James Mitchell.

1749.

February 4, £5,000.

60,000 notes, each of 3*d.*, 4*d.*
60,001 do 6*d.*
46,666 do 9*d.*

To be signed by one of John Jervis, William Trotter, Joseph Hamton, John Davis, and James Webb.

1755.

June 28, (date of note, October 1,) £10,000.

6,000 notes, each of 10*s.*

10,000 do 5*s.*, 2*s.* 6*d.*, 2*s.*, 1*s.* 6*d.*, 1*s.*, 9*d.*, 6*d.*

11,250 do 4*d.*

15,000 do 3*d.*

Bills of 1*s.* and upwards to be signed by three, and below 1*s.* to be signed by one of Evan Morgan, Joseph Fox, James Pemberton, Hugh Roberts, John Reynell, Joseph Wharton, John Smith, Isaac Greenleaf, Isaac Jones, Thomas Crosby, Daniel Williams, Charles Jones, Samuel Hazard, Samuel Roads, Joseph Morris, Samuel Sansom, Edward Pennington, Thomas Clifford, William Grant, Thomas Say, Joseph Saunders, Joseph King, Owen Jones, Jonathan Evans, William Logan, and Samuel Burge.

1756.

January 1, £55,000.

15,000 notes, each of 20*s.*

20,000 do 15*s.*, 10*s.*, 5*s.*, 1*s.*

30,000 do 2*s.* 6*d.*, 2*s.*, 1*s.* 6*d.*

To be signed by any three of Evan Morgan, John Baynton, Thomas Crosby, Thomas Wharton, Joseph Marriott, Daniel Roberdeau, Atwood Shute, Samuel Neave, Charles Steadman, Jonathan Evans, Edmund Kearney, John Taylor, William Grant, Amos Strettell, Samuel Morris, Jacob Duche, Thomas Gordon, Charles Meredith, Redmond Conyngham, Daniel Benezet, William Fisher, George Okill, Abel James, Joseph King, William Vanderspiegel, Joseph Redman, William Shippen, William

Griffitts, Enoch Flower, Henry Harrison, Charles Jones, Isaac Pascall, Thomas Davis, and Jacob Lewis.

1756.

September 21, (date of note, Oct. 1,) £30,000.

12,000 notes, each of 5*s*., 10*s*., 15*s*., 20*s*.

To be signed by any three of William Grant, Joseph Richardson, James Benezet, Samuel Wharton, Daniel Rundle, Joseph Wharton Jr., Peter Chevalier, William Hopkins, Stephen Wooley, Joshua Howell, Joseph Galloway, George Bryan, Charles Thompson, Isaac Pascall, Charles Jones, John Sayre, Francis Rawle, Thomas Wharton, Joseph Saunders, Peter Reeve, Joseph Morris, Samuel Smith, John Rhea, Thomas Smith, Jacob Cooper, William Fisher, Joseph Redman, and Luke Morris.

1757. March 10, £45,000.

18,000 notes, each of 20*s*., 15*s*., 10*s*., 5*s*.

To be signed by any three of Henry Harrison, Peter Reeve, Joseph Morris, William Morris Jr., Buckridge Sims, James Child, Stephen Carmick, Thomas Clifford, Thomas Bourne, John Swift, John Rhea, John Ord, Edward Duffield, Matthew Clarkson, Thomas Say, Thomas Carpenter, Thomas Moore, James Wharton, John Hughes, John Lynn, Plunket Fleeson, Samuel Howell, George Emlen, and Joseph Hillborn.

June 17, (date of note, July 1,) £55,000.

22,000 notes, each of 20*s*., 15*s*., 10*s*., 5*s*.

To be signed by three of—Joseph Morris, Charles Thomson, Henry Harrison, Charles Meredith, John Ord, Thomas Clifford, Joseph Richardson, Thomas Wharton, Edward Pennington, Charles Jones, Joseph Redman,

Thomas Davis, Richard Wistar, Thomas Gordon, Joseph Hillborn, William Morris, Jr., Francis Rawle, Samuel Burge, Evan Morgan, William Fisher, Thomas Say, John Lynn, James Humphreys, Joseph Stretch, and Plunket Fleeson.

1758.

April 22, (date of note, May 20,) £100,000.

38,000 notes,	each of	20*s.*, 15*s.*, 10*s.*, 5*s.*
14,285	do	2*s.* 6*d.*, 2*s.*, 1*s.*, 6*d.*
14,290	do	1*s.*

To be signed by three of—Peter Reeve, Henry Harrison, James Wharton, William Fisher, William Hopkins, George Bryan, Charles Jones, Joseph Wharton Jr., Joseph Saunders, Joseph Morris, Samuel Morris, Charles Thomson, Joseph Stretch, Joseph Marriott, Thomas Moore, Thomas Carpenter, Evan Morgan, Luke Morris, Thomas Clifford, Peter Chevalier, Daniel Williams, James Benezet, Daniel Rundle, Thomas Gordon, Stephen Wooly, James Humphreys, Matthew Clarkson, John Ord, James Child, Samuel Wharton, John Hughes, Thomas Yorke, and Charles Humphreys.

1759.

April 17, (date of note, April 25,) £100,000.

10,000 notes, each of £5, £2 10*s.*, 20*s.*, 15*s.*, 10*s.*, 5*s.*

To be signed by any three of Peter Reeve, Henry Harrison, Joseph Saunders, Joseph Morris, Charles Thomson, Joseph Stretch, Evan Morgan, Thomas Clifford, Daniel Williams, Thomas Gordon, John Ord, Thomas Tilbury, Robert Bully, Richard Pearne, Joseph Marriott, Peter

Chevalier, James Wharton, Charles Jones, Samuel Morris, Luke Morris, James Child, and James Humphreys.

June 21, £36,650.

4,886 notes, each of £5, 50*s*.

Signed by Charles Thompson, Luke Morris, Samuel Rhodes.

In the Record Book of the Laws there are given no particulars relative to this act, which was repealed in June, 1760; the notes are believed to have been *issued* before the repeal was known.

1760.

April 12, (date of note, May 1,) £100,000.

£5, 50*s*., 15*s*., 10*s*., 5*s*., known to exist.

In the Record Book of the Laws no particulars of this act are given.

1764.

May 30, (date of note, June 18,) £55,000.

3*d*., 4*d*., 6*d*., 9*d*., 1*s*., 1*s*. 6*d*., 2*s*., 2*s*. 6*d*., 5*s*., 10s., 15*s*., 20*s*., known to exist.

In the Record book of the Laws the particulars of this act are not given.

1767.

May 20, (date of note, June 15,) £20,000.

2,000	notes,	each of £6.
1,000	do	£4.
2,000	do	40*s*.

To be signed by any three of Joseph Richardson, John Reynall, Israel Pemberton, Isaac Jones, Daniel Roberdeau, John Gibson, John Nixon, Thomas Wharton, Isaac Greenleafe.

1769.

February 18. date of note, March 1. £15,000.

3,000 notes, each of £3.
4,000 do 30*s*.
1,000 do 12*s*.
1,000 do 8*s*. Same signers as the last issue.[1]

1769.

February 18. (date of note, March 10. £14,000. "*Relief of the Poor.*"

1000 notes, each of 20*s*., 15*s*.
2,000 do 10*s*.
5,000 do 5*s*.
12,000 do 2*s*. 6*d*.
20,000 do 2*s*.
30,000 do 1*s*. 6*d*., 1*s*., 9*d*., 6*d*., 4*d*., 3*d*.

Bills under 1*s*. to be signed by one of and over, by three of Joseph Fox, Samuel Rhodes, Luke Morris, Jacob Lewis, Thomas Say, Samuel Burge, Abel James, Stephen Collins, James Penrose, John Parrock, Joseph Wharton Jr., and Charles Thompson.

1771.

March 9, (date of note, March 20,) £15,000.

6,000 notes, each of 20*s*., 15*s*., 10*s*., 5*s*.

To be signed by any three of Joseph Morris, William Fisher, Joshua Howell, Luke Morris, Daniel Roberdeau, Isaac Cox, Jacob Shoemaker Jr., Francis Hopkinson,

[1] In the first edition, through the inexperience of the person who searched the Records at Harrisburg, wrong signers were given, which error is here corrected.

Stephen Collins, Joel Evans, Robert Strettell Jones, and Thomas Mifflin.

1772.

March 21, (date of note, April 3,) £25,000.

5,000 notes of 40*s.* each.
33,962 do 2*s.* 6*d.*, 2*s.*, 1*s.* 6*d.*, 1*s.* 9*d.*, 6*d.*, 3*d.*, each.
33,963 do 4*d.* "

Bills under 1*s.* to be signed by one, of 1*s.* and over to be signed by three, of John Morton, Charles Humphreys, John Sellers, Isaac Cox, Joseph Sims, Thomas Clifford, Thomas Coombe, Thomas Fisher, Samuel Pleasants, Joseph Dean, Joseph Swift, Cadwallader Morris, Clement Biddle, Joel Evans, Anthony Morris Jr., Samuel Howell Jr., Adam Hubley, John Mifflin, Joseph Pemberton, Samuel Hudson, James Wharton, Jeremiah Warder Jr., Benjamin Wynkoop, and Samuel Coates.

1773.

February 26, (date of note, March 20,) £11,000, "*Light-house,*" &c.

6,000 bills, each of 4*s.*, 6*s.*, 14*s.*, 16*s.*

To be signed by three of Jacob Winey, Charles Jervis, Benjamin Shoemaker, Henry Keppele Jr., Frederick Kuhl, and John Steinmetz.

February 26, (date of note, October 1,) £150,000.

28,300 notes, each of 50*s.*, 20*s.*, 15*s.*, 10*s.*
28,318 do 5*s.*, 2*s.* 6*d.*, 1*s.* 6*d.*
28,319 do 2*s.*

To be signed by any three of Stephen Carmick, Charles Meredith, George Emlen Jr., Alexander Todd, Joseph

Pemberton, Samuel Miles, Owen Jones Jr., Joseph Mifflin, Benjamin Morgan, Barnaby Bames, William Fisher Jr., William Wistar, Abraham Usher, Reynold Keen, John Field, Jacob Harman, Mordecai Lewis, Isaac Wharton, William Wishart, Richard Willing, Benjamin Marshall, Samuel Fisher, James Hartley, and Joseph Allen.

Supplement December 13, 1774, appoints the following additional signers:—James Stephens, Thomas Leech, Benedict Dorsey, William Crispin, John Lownes, and Robert Tuckniss.

1775.

March 18, (date of note, March 25,) £6,000, "*Light-house*," &c.

3,000 notes, each of 4*s*., 6*s*., 14*s*., 16*s*.

To be signed by three of James Wharton, Richard Vaux, Ezekiel Edwards, William Wishart, Charles Wharton, and Samuel Coates.

March 18, (date of note, April 10,) £25,000, "*Prison*."

3,333 notes, each of £2.5

3,334 do 50*s*.

To be signed by Lindsay Coates, Job Bacon, and Edward Roberts.

Resolution, June 30, (date of note, July 20,) £25,000.

7,000 notes, each of 10*s*., 20*s*., 30*s*., 40*s*.

To be signed by three of Sharp Delany, Lambert Cadwallader, Isaac Howell, James Mease, John Benezet, Samuel Cadwallader Morris, Adam Hubley, Thomas Prior, Godfrey Twells, John Mease, John Purviance, and William Allen Jr.

September, 30, (date of note, October 25,) £22,000.

6,000 notes, each of 20*s*., 15*s*., 10*s*., 5*s*.
15,849 do 2*s*. 6*d*., 2*s*., 1*s*. 6*d*., 1*s*., 9*d*., 4*d*., 3*d*.
15,850 do 6*d*.

Bills under 1*s*. to be signed by one, of 1*s*. and over by three, of Francis Johnston, Thomas Shoemaker, Charles Jervis, Thomas Tilbury, Philip Kinsey, John Knowles. Isaac Howell, Abel Evans, and Richard Humphreys.

Resolution, November 18, (date of note, December 8,) £80,000.

16,000 notes, each of 10*s*., 20*s*., 30*s*., 40*s*.

To be signed by three of Matthew Clarkson, William Crispin, William Smith, Thomas Leech, Joseph Redman, William Kenly, Josiah Hewes, Andrew Tybout, George Douglass, Charles Moore, Abel Evans, Thomas Moore, Peter Thomson, Samuel Cadwallader Morris, Cornelius Barnes, Sketchly Morton, Elisha Price, and Nicholas Fairlamb.

1776.

Resolution, April 6, (date of note, April 25,) £85,000,

54,545 notes, each of 3*d*., 9*d*.
54,546 do 4*d*., 6*d*.
28,572 do 1*s*., 2*s*.
28,571 do 1*s*. 6*d*., 2*s*. 6*d*.
14,000 do 10*s*., 20*s*., 30*s*., 40*s*.

Bills of 3*d*., 4*d*., 6*d*., 9*d*., to be signed by *one*, of 1*s*., 1*s*. 6*d*., 2*s*., 2*s*. 6*d*., by *two*, the others by *three* of William Smith, Benjamin Betterton, Joseph Redman, William Clifton, Sketchly Morton, Josiah Hewes, William Crispin, Andrew Tybout, George Douglass, William Kenly,

Charles Moore, Thomas Moore, Abel Evans, Peter Thomson, Elisha Price, Hugh Lloyd, and Samuel C. Morris,

1777.

March 20, (date of note, April 10,) £200,000.

150,000 notes, each of 3*d.*, 4*d.*, 6*d.*, 9*d.*

30,000 do 1*s.*, 1*s.* 6*d.*, 2*s.*, 3., 4*s.*, 6*s.*, 8*s.*, 12*s.*, 16*s.*, 20*s.*

12,670 do 40*s.*

12,665 do 80*s.*

Every bill under 4*s.* to be signed by *one*, above 4*s.* by *two*, of Benjamin Betterton, John Young Jr. William Thorne, Andrew Hodge, William Kinley, Isaac Howell, Caleb Davis, Joseph Gardner, James Cannon, Whitehead Humphreys, Benjamin Jacobs, William Evans, Levi Budd, Isaac Snowden, John Brown, William Will, Philip Alberti, Henry Luithausen, Samuel Smith, Frederick Antis, Robert Loller, James Davidson, Joseph Parker, and Michael Shubart.

1780.

March 25, (dated April,) £100,000. To purchase provisions for the army.

8,696 notes, each of 60*s.*, 50*s.*, 30*s.*, 20*s.*, 15*s.*, 10*s.*, 5*s.*

8,694 do 40*s.*

To be signed by *two* of Daniel Wistar, Levi Budd, Philip Bœhm, Robert Cather, Jedediah Snowden, William Laurence Blair, Charles Lewis Treichel, John Miller, Joseph Watkins, John Knox, Nathan Jones, and William Thorne.

June 1, (according to Resolution of Congress, March 18,) $1,250,000. $1, $2, $3, $4, $5, $7, $8, $20.

To be signed by *two* of Michael Shubart, Daniel Wistar, Levi Budd, Philip Bœhm, Robert Cather, Jedediah Snowden, William Laurence Blair, John Miller, John Knox, and Nathan Jones.

Congress appointed to sign for the United States any one of Thomas Smith and Richard Bache.

1781.

April 7, (date of note, April 20,) £500,000.

29,077 notes, each of £5, £3, £2 10*s.*, £2, £1 10*s.*, £1.
29,076 do 15*s.*, 10*s.*,
40,000 do 5*s.*, 2*s.* 6*d.*, 2*s.*
20,000 do 1*s.* 6*d.*, 1*s.*
80,000 do 9*d.*, 6*d.*, 3*d.*

Below 10*s.* to be signed by *one*, of 10*s.* or over, by *two* of Cadwallader Morris, Samuel Meredith, James Budden, Joseph Wharton, Joseph Bullock, Samuel Caldwell, Michael Shubart, David H. Cunningham, Jacob Barge, Philip Bœhm, John Purviance, Joseph Dean, John Miller, Jonathan Mifflin, Isaac Howell, Richard Bache, John Baynton, Tench Francis, David Shaffer Sr., Thomas Prior, Robert Knox, John Mease, Jacob S. Howell, and John Patton.

By an act passed January 31, 1783, the following amounts were directed *not* to be completed:

20,000 notes, each of 5*s.*, 2*s.* 6*d.*, 2*s.*, 1*s.*
40,000 do 9*d.*, 6*d.*, 3*d.*

Amounting to £13,500.

1783.

March 21, $300,000.

Treasury notes, of $\frac{1}{3}$, 1, 2, 3, 6, 12, 15, 20.

1785.

March 16, (date of note, March 16,) £150,000.

54,546 notes, each of 3*d.*, 9*d.*, 1*s.* 6*d.*, 2*s.* 6*d.*, 5*s.*, 15*s.*

54,545 do 10*s.*, 20*s.*

Bills of 10*s.* and over to be signed by *three*, all the others by *two*, except the 9*d.* and 3*d.* by *one*, of John Chaloner, William Turnbull, George Latimer, Reynold Keen, Andrew Tybout, Edward Fox, James Collins, Peter Baynton, William Smith, (druggist), Samuel Murdoch, James Bayard, Joseph Redman, Robert Smith (merchant), John Rhea, William Gray (brewer), William Tilton, Francis Wade, Thomas Irwin, Charles Risk, Andrew Pettit, James McCrea, John Taylor, Samuel Caldwell, Stacy Hepburn, and John Duffield.

A supplement of September 10th appointed the following additional signers;

Levi Budd, George Leib, John Baker, William Wertz, Francis Mentges, Joseph Kerr, John Miller, James Glentworth, John Steel, George Goodwin, Joseph Marsh, Henry Kammerer, Michael Shubart, and Robert Bridges.

B.

The devices on the notes seem to be as follows: from the earliest issue down to 1764 the most prominent device on them is the arms of the Penn family; in that year appear those of Great Britain.

1769. Both issues bear Penn's arms.

1771. " " "

1773. " " "

1775. April 10. Both issues bear Penn's arms.
" March. " "
" July. Great Britain.
" October. Penn's arms.
" December. Great Britain.
1776. April. 3*d*., 4*d*., 6*d*., 9*d*., those of Penn's family; the rest of the issue those of Great Britain.
1777. Et sequent, commonwealth of Pennsylvania.

C. p. 10.

Additional Instructions from the Proprietaries to Govr. Hamilton about Emissions of Paper Money, May 30, 1752.[1]

Thomas Penn and Richard Penn true and absolute Proprietarys and Governors in chief of the Province of Pennsilvania and Countys of Newcastle Kent and Sussex on Delaware.

To James Hamilton Esquire Lieutenant Governor of the said Province and Countys.

Additional Instruction for his Government and conduct therein.

Whereas one of our former written instructions given to you the said James Hamilton under our hands and seals at Arms and bearing date the seventeenth day of March in the year one thousand seven hundred and forty seven did run in the words or to the effect following that is to say "WHEREAS the making emitting or continuing too large a quantity of Paper Money or Bills of credit within the said Province and countys may greatly affect the

[1] The original manuscript is in the possession of the Historical Society of Pennsylvania.

exchange and the trade of the said Province and will particularly most affect the rents and quit rents which now are and hereafter shall become due to the Proprietors YOU SHALL NOT therefore on any pretence whatsoever pass or give your assent to any Law or Act of assembly within the said Province or within the said Countys either for re-emitting or continuing any paper currency or Bills of credit whatsoever UNLESS there be inserted in each and every such law or Act one or more enacting clauses to provide effectually that the Quit Rents and other rents due and to be due to the proprietors shall be paid according from time to time according to the true and real rate of exchange between the Citys of Philadelphia and London at the times of such payment AND YOU SHALL NOT on any pretence pass or give your assent to any Law or Act of assembly within the said Countys for enlarging or encreasing the present amount or quantity of Paper currency nor Bills of credit NOR SHALL YOU within the said Province on any pretence pass or give your assent to any law or Act of assembly for enlarging or encreasing the amount or quantity of Paper currency or Bills of credit there beyond the quantity established by an Act of Assembly passed in the twelfth year of his present majesty's reign and intitled "An act for reprinting exchanging and re-emitting all the Bills of credit of this Province and for striking the further sum of Eleven thousand one hundred and ten pounds five shillings to be emitted upon Loan" UNLESS there be incerted an enacting clause in every such law or act of assembly to be passed in the said Province to suspend the force and effect of the same untill the

Royal approbation and allowance shall be obtained thereto."

AND WHEREAS we have judged it and do judge it expedient to vary the said former instructions (herein before recited) in some particular parts thereof so that the same may from the time you shall receive this additional instruction run and be observed in the following manner; THEREFORE YOU SHALL NOT at any time or times after the receipt of this our additional instruction upon any occasion or pretence whatsoever pass or give your assent to any Bill or act of assembly within the said Province or within the said Counties for the issuing emitting continuing or re-emitting any Paper Currency or Bills of credit whatsoever UNLESS every such Bill or act do contain one or more enacting clauses whereby it shall be effectually enacted that the Quit Rents and other Rents due and to be due to us or our heirs shall from time to time be paid according to the true and real rate of Exchange between the Citys of Philadelphia and London at the times such payments shall be made NOR UNLESS every such Bill or act of assembly do contain one or more other enacting clauses whereby it shall be effectually enacted that the whole of the interest moneys from time to time to accrue, arise and become payable from the Loan of all such Paper Currency or Bills of credit hereafter to be issued emitted continued or re-emitted shall be disposed of as we or either of us exercising the office of Governor, the Lieutenant Governor, or in case of his death or absence, the President of the Councill and assembly for the time being shall direct and not otherwise AND YOU SHALL NOT under

any pretence whatsoever pass or give your assent to any Bill or act of assembly within the said Countys for enlarging or encreasing the present amount or quantity of Paper Currency or Bills of Credit here.

NEITHER SHALL YOU within the said Province pass or give your assent to any Bill or Act of Assembly for enlarging or encreasing the present amount or quantity of paper currency or Bills of Credit there beyond the quantity established by the act of assembly passed there in the twelfth year of his present majesty's reign and entitled an act for reprinting exchanging and re-emitting all the Bills of Credit of this Province and for striking the further sum of eleven thousand five hundred and ten pounds, five shillings upon Loan, UNLESS you shall be fully satisfyed of the necessity and expediency of enlarging or encreasing such present amount AND in case such necessity and expediency shall fully appear to you Then YOU MAY on observing therein all the former parts of this present Instruction pass or give your assent to one or more proper Bills or Acts of Assembly within the said Province for enlarging or encreasing such present amount or quantity of Paper Currency or Bills of Credit there, in such sum or sums as you shall think right SO AS the whole sum to be made encreased or enlarged by Virtue of this present Instruction do not on any pretence whatsoever exceed the sum of Twenty thousand pounds Proclamation Money. WITNESS the Hands and Seals at arms of the said Propritarys this thirtieth day of May in the twenty-fifth year of the Reign of our Sovereign Lord George the second by the grace of God of Great Britain France and Ireland King,

Defender of the Faith and so forth and in the year of our Lord one thousand seven hundred fifty and two.

THOS. PENN, [L. S.]
RICHD. PENN. [L. S.]

D.

List of Authorities.

Votes of Pennsylvania Assembly, 1698–1787.
Journals of the " House of Representatives.
" " " Senate.
Gordon's History of Pennsylvania.
Proud's " "
Hazard's Register of "
Pennsylvania Colonial Records, 14 vols.
" Archives.
Journals of Congress.
Laws of Pennsylvania, Smith.
Miller.
Hall & Sellers.
Bioren.
A. J. Dallas.
Bradford.
Franklin.
Gouge's History of Paper Money, &c.
Franklin's Constitution and State of Pennsylvania.
" Works, passim.
Treasurer's Reports of Pennsylvania, passim.
Newspapers of the time passim.

Pownall's Administration of the Colonies.
Douglass's Summary.
Anderson's History of Commerce.
Stokes's Constitution of the British Colonies.
Poyer's History of the Barbadoes.
Abiel Holmes's American Annals.



AN

HISTORICAL SKETCH

OF THE

Paper Money issued by New Jersey.

BY

HENRY PHILLIPS, Jr.

NEW JERSEY PAPER MONEY.

To obtain the French possessions in America, was the constant desire of Great Britain, and her colonies were from time to time called upon to assist with men and money her ambitious views.

The project for an invasion of Canada, submitted to the Jersey legislature in 1709, met with its assent, although the Quakers, who composed a large portion of that body, consistently and steadily opposed the measure.[1] To raise and equip troops and to provide stores for the expedition, bills of credit were issued to the amount of *three thousand pounds*, and the currency of the notes was enforced by the act creating them and later supplements. While the New England colonies were preparing a naval armament to coöperate with the fleet expected from Great Britain, the provinces of New York and New Jersey had raised, equipped and despatched a body of eighteen hundred men, under the command of Colonels Nicholson and Vetch, to march against Montreal by way of Lake Champlain. When, however, the troops had reached the lower

[1] *New York Colonial Documents*, v, 78.

NEW JERSEY PAPER MONEY.

To obtain the French possessions in America, was the constant desire of Great Britain, and her colonies were from time to time called upon to assist with men and money her ambitious views.

The project for an invasion of Canada, submitted to the Jersey legislature in 1709, met with its assent, although the Quakers, who composed a large portion of that body, consistently and steadily opposed the measure.[1] To raise and equip troops and to provide stores for the expedition, bills of credit were issued to the amount of *three thousand pounds*, and the currency of the notes was enforced by the act creating them and later supplements. While the New England colonies were preparing a naval armament to coöperate with the fleet expected from Great Britain, the provinces of New York and New Jersey had raised, equipped and despatched a body of eighteen hundred men, under the command of Colonels Nicholson and Vetch, to march against Montreal by way of Lake Champlain. When, however, the troops had reached the lower

[1] *New York Colonial Documents*, v, 78.

NEW JERSEY PAPER MONEY.

To obtain the French possessions in America, was the constant desire of Great Britain, and her colonies were from time to time called upon to assist with men and money her ambitious views.

The project for an invasion of Canada, submitted to the Jersey legislature in 1709, met with its assent, although the Quakers, who composed a large portion of that body, consistently and steadily opposed the measure.[1] To raise and equip troops and to provide stores for the expedition, bills of credit were issued to the amount of *three thousand pounds*, and the currency of the notes was enforced by the act creating them and later supplements. While the New England colonies were preparing a naval armament to coöperate with the fleet expected from Great Britain, the provinces of New York and New Jersey had raised, equipped and despatched a body of eighteen hundred men, under the command of Colonels Nicholson and Vetch, to march against Montreal by way of Lake Champlain. When, however, the troops had reached the lower

[1] *New York Colonial Documents*, v, 78.

end of the lake they were compelled to return, news having arrived that the destination of the fleet intended to assist them had been changed, and that it would not participate in the projected attack.

Such was the beginning of the paper money of New Jersey; a measure fraught with danger, as the resort to a base currency must ever be. To meet the present pressing emergency it seemed their sole resort, for the taxation absolutely necessary for the ordinary, though small, expenses of the government, was already a heavy burden on the people. It promised relief, and as such was joyfully welcomed.

Two years later, the failure of a second Canada expedition, for which New Jersey, New York and Connecticut had assembled together three thousand men to coöperate with a fleet expected from England under Sir Hoveden Walker, accompanying a body of troops under Brigadier Hill (a brother of Mrs. Masham), entailed upon the colony an additional debt of *five thousand pounds*, which for the purposes of the undertaking had been issued in paper money. A violent storm, causing the dispersion of the fleet, produced the abandonment of the expedition.

So far no suggestions towards a permanent currency had been made; the issuing of bills of credit was merely a temporary expedient to meet the exigencies of an occasion which, perhaps, could have been provided for in no other manner. But the want of a currency was greatly felt in the colony, and the people were glad to use, to a limited extent, even produce as a means of purchase.

The causes that led to this state of affairs have been ably

set forth by one of our great living historians, and whose very words will best convey the reasonings and ideas.

"The constant state of debt to the mother country created a demand for remittances, so that specie disappeared. America was left without a currency; she was incapable of the voluntary self denial requisite to recover a specie currency from commerce; could adopt no counteracting policy. * * * * * That it is the duty of a government to provide a currency for commerce, was the maxim that came into vogue in every colony but one:[1] and the impossibility of retaining a metallic currency in a state of colonial dependence was assumed as undeniable, and the maxim reduced to practice led to the perilous use of paper money. The provinces were invited to manufacture bills of credit. * * * * * The credit of the colonies was invoked in behalf of borrowers."[2]

Imbued with these ideas, the governor of the province, in 1716, submitted to the legislature a recommendation for a further addition to their circulating medium, and it was resolved, to accomplish that end, to emit notes to the amount of £4,670, (equal to 11,675 ounces of plate at 8 shillings per ounce): of the old Canada expedition bills, of which the term of currency had been several times extended, there remained unredeemed and in circulation only *seventeen hundred pounds;* which sum, to a colony of the size of New Jersey, was from its smallness considered to be utterly worthless, for the purpose of a currency.

[1] We cannot conceive to which colony this allusion refers, as *all* issued paper money anterior to the Revolution.

[2] Bancroft, *Hist. United States*, iii, 387.

These issues, with a very small amount of specie and a few notes of some of the adjacent provinces, constituted their whole money, which was far from being adequate for their ordinary trade and commercial requirements.

Complaining of the hardships and grievances under which the people labored, petitions from them were constantly presented to the assembly, praying for some legislative enactment which would tend to their relief. *Specie*, there came none into the colony, as its produce chiefly found its market in Pennsylvania and New York, where either the same scarcity prevailed or else paper notes circulated as a legal tender, which the sellers were obliged to take in payment for their commodities, but which at the Jersey treasuries[1] were not receivable for taxes, although they possessed no other manner of money wherewith to make such payments: while the small amount of specie in the province grew daily less from the necessity of its being the sole remittance possible to Europe to pay for the importation of merchandize constantly in demand.

Payment of taxes in jewelry, broken ear rings, plate, &c., had become a common occurrence. Nor was this trouble the least one which befel: great strife arose from the refusal of the paper money of the neighboring provinces by creditors of persons both domiciled in New Jersey, which they could not be forced to receive, although it might be the sole means in the power of the debtors with which they could discharge their obligations. Contentions grew daily from these causes, and law suits thrived.

[1] It is foreign to our purpose to do more than note the existence of the *East and West Jersey treasuries*, which were consolidated at the Revolution.

The assembly gave an attentive hearing, from time to time, to the cries of the people, but made no effort to afford them any relief until 1723, when (Burnett being then governor), after a close investigation of the subject they resolved that a remedy of the most sure and most speedy nature would be found in the erection of a loan office, similar in its operations to the one lately established in Pennsylvania, and which had apparently resulted in so great a success.

The colony took upon itself the business of money lending, on terms more favorable than could have been obtained from private parties, and thus by the same action it created the much needed currency.

Forty thousand pounds (equal to 116,666 *ounces* 13*dwt.* 8*gr.* of plate) in bills of credit, were ordered to be struck and imprinted, and through the medium of loan offices, by the same act created for that purpose in every county, were to be issued to borrowers on land security, or plate at 5*s.* per ounce, at 5 per cent interest, which was to be paid annually, together with one-twelfth part of the principal, the term of currency being thus limited to twelve years.

No one person was to be permitted to borrow more than £100 nor less than £12.10*s.* and the notes ranged in value from *one shilling* to *three pounds*.

The act was modelled upon the one in force in Pennsylvania and contained its wholesome restrictive provisions, the adherence to which had worked so great and so sudden an apparent benefit to that province. The clauses also were copied which, making the bills a legal tender, inflicted penalties on those who refused to receive them, or exhi-

bited a preference for gold or silver, and which attached the death penalty to the crime of counterfeiting or altering the notes. The law contained an additional provision of great sagacity, which was followed in all subsequent similar enactments of the province.

If the persons appointed to sign and number the bills neglected or refused to attend their office, others were in the same act provided as *alternates*, who should perform these duties, in order that no detriment should arise to the public from this delay. The annual accumulation of the interest was to go towards defraying the ordinary expenses of the government, and towards the creation of a sinking fund for the ultimate redemption of the bills.

The preamble of the act contains so much curious matter, so forcibly expressed, that it, as well as the form prescribed for the notes, is deemed worthy of preservation in this place.

"An act for an additional support of this government, and for making current *forty thousand pounds* in bills of credit, for that and other purposes therein mentioned.

"WHEREAS many petitions and applications have been made to his excellency, the governor of this province, by the freeholders, merchants, and inhabitants of the same, setting forth that the silver and gold, formerly current in this province, is almost entirely exported to *Great Britain* and elsewhere, and thereby the many hardships which his majesty's good subjects within this colony lie under for want of a currency of money, and that both the neighboring provinces of *New York* and *Pennsylvania*, to which the exportation of this province is chiefly carried,

have their currency of money in paper bills, and do pay for the produce of this province in no other specie: which bills of credit of the neighboring provinces being no legal tender here, does expose the inhabitants of this province to numerous vexatious suits, for want of bills of credit in this province, by law made and declared a legal tender, as is done in the neighboring provinces; and his excellency having the good and ease of his majesty's subjects of this province at heart, has been pleased to call their representatives together in general assembly, to provide remedies for the grievance aforesaid, who being convened here at *Burlington*,[1] and taking into their serious consideration the miserable circumstances of the inhabitants of the several counties which they represent, for the want of a medium of trade, or currency of money; and that though they had enough of the bills of credit of the neighboring provinces, yet, to pay the small taxes for the support of this government, they have been obliged to cut down and pay in their plate, ear-rings, and other jewels; and that many differences and law suits have arisen, and do daily arise amongst them, which will be the ruin of a great number of the said inhabitants, if some method be not found out for their relief. And this assembly, having deliberately considered the many petitions to the purposes aforesaid, to them presented, and being sensible, of their own knowledge, that the matters of fact therein set forth are true, and being well informed of the relief which neighboring provinces have found in the like case, by a paper currency, and hoping the like effect from it here,

[1] The sessions were held alternately at *Burlington* and at *Amboy*.

and finding no other way to remedy the grievances aforesaid, of his majesty's good subjects here, do enact," &c.

The act further provided that upon the left side of the bills, near the bottom, were to be impressed the arms of Great Britain, and that near the top and bottom of each bill, so made current, there should be printed their respective value.

The form selected for the notes was as follows:

"*This indented bill of ounces of plate, due from the province of* NEW JERSEY, *to the possessor thereof, shall be in value equal to money, and shall be accepted accordingly by the respective treasurers, and the commissioners of the several loan offices in this province, in all publick payments, and for any fund at any time in the said treasuries and loan offices. Dated at* BURLINGTON, *the twenty-fifth* DAY *of* MARCH, 1724. *By order of the governor, council and general assembly.*"[1]

As a farther relief to the people, produce also was made receivable at the treasuries in payment of taxes, at a rate a trifling amount below the market value. The notes when redeemed were to be defaced in a peculiar manner, provided for in the act, so that the parts which denominated the value and numbers should remain unimpaired, and were then to be put away in bundles, to be carefully

[1] Of this early issue a specimen, believed to be the only one in existence, is in the hands of a Philadelphia collector. It is an ungainly note six inches in length by four inches in width. The initial letter T is in a vignette, representing a dog gnawing a bone, and across the top of the note extends an ornamental bordering of scroll work. The body of the note reads as directed by the act; at the bottom, but above the signature, are the words;

"3 *shill.* 6 *pence* ℔ ℔ ℔ *Three shillings*
at 8*s.* pr. ounce Procla.

kept by the treasurers, in order to be compared with such as might be suspected.

But the hopes of those who had projected the term of currency, were not destined to be realized. Counterfeits in large numbers soon made their appearance, being chiefly manufactured in and exported from Ireland: they were so well executed and so much resembling the genuine, as to be scarcely distinguishable from them. This cause, as well as the unhandy size adopted for the original notes, produced, in 1727, the recall of the first issue; a remedy forced upon Pennsylvania about the same time from the same causes.

The act of 1727 recited the damage inflicted by those counterfeit notes, and to remedy the evil ordered a new issue of £24,760[1] in new notes to replace the balance of the issue in circulation. These notes were to be current for the residue of the twelve years originally limited.

Public notice was directed to be given in the New York and Philadelphia Gazettes, of the approaching withdrawal from circulation of these notes.

It was declared that "between man and man they should no longer be current after the first day of November 1728, and that after the first day of November, 1729, they would no longer be receivable at the Public Treasurers for taxes."

Dr. Franklin, in his autobiography, speaks of having obtained the "job" of printing these notes, and in consequence of the low state of the arts in the country at that time, he says he was forced not only to engrave the designs

[1] £15,240 having been redeemed and destroyed by the operation of the Loan offices.

and checks for them, which were to be the safeguard against counterfeits, but also to construct the copper plate press whereon they were to be printed. Notes printed by him, bearing date as late as 1746, are still in existence, though of considerable rarity.

Such was the beginning of the New Jersey loan office system. So great and so sudden were the benefits believed to have accrued to the colony from this source, that in 1730 a second *bank*, of *twenty-five thousand pounds*, was created, to be current under the same provision for sixteen years: three years later even these large sums were found to be insufficient for their increasing wants of trade, as owing to the continued faithful operations of the loan offices the yearly quotas were faithfully absorbed and nearly *thirty thousand pounds* had been redeemed, and it was found necessary to issue *forty thousand pounds* in bills of credit on loan, constituting what is known as the *Third Bank*. This act, in common with others passed by the colony, was transmitted to England for approval, which, however, it did not receive until 1735, and the notes emitted under its authority bear date the *twenty-fifth* day of *March*, 1736.

The home government, in 1740, demanded of the colony, men and supplies for an expedition to the West Indies, and met with a ready assent. The assembly resolved "that they were heartily willing to render and do everything in their power that may be acceptable to his majesty," and to defray these expenses ordered an issue of £2000 in bills of credit.

The separation of New Jersey from New York had taken place in 1738, and Mr. Lewis Morris, who had been

instrumental in procuring it, was appointed the first governor of New Jersey. To his papers, as published, we are indebted for much valuable information on these subjects. His salary was £1000 currency, which he states to be equal to only £550 sterling. A letter from him to the lords of trade May 26, 1739, gives the following financial account of the province.

"There is but little, if any, gold or silver in the province, their whole commerce both among themselves and with their neighbors being managed by means of paper bills of credit, of which there are about £60,000 now current, and in the year 1741 it will begin to sink and grow yearly less, but the whole quantity, I am told, is not sufficient for the uses of the province, and that the people will soon be very pressing for more."[1]

With the third bank ends the loan office system of New Jersey, never again to be resumed under the dominion of the crown. The people believing that good effects had arisen to them from their guarded paper money desired to augment and continue it; to this the English government, partly from uneasiness at the growing power of the colonies and partly from a well founded prejudice against this abuse of the public credit, refused its sanction, and would only permit such issues as were not a legal tender, and would be redeemable by specific taxation within a short period, and where the law creating them should contain a clause suspending their operation until the pleasure of the king should be known. They alleged as their reason the injuries inflicted upon British commerce by the

[1] Papers of Gov. Morris, p. 53. Published by the N. J. Hist. Soc.

excessive creations of paper money which had been issued by the Eastern and Southern colonies. As often as the assembly, desiring to recreate and extend their loans, legislated to that effect, the governor, giving as his reasons his instructions from the lords of trade, and the act of parliament, refused to give his assent.

Whilst this act was pending in parliament, a copy was laid before the Jersey assembly, who resolved that "if such an act should pass into a law, it would not only be an encroachment upon the fundamental constitution of the province and the concessions made to the first settlers thereof by his majesty's royal ancestors, also destructive of the liberties and properties of his majesty's subjects now inhabitants of the colony, as also a great discouragement to the further settlement thereof, which must be vastly detrimental to the trade of Great Britain by lessening the consumption of her manufactures." About this time a law passed by the assembly to issue *forty thousand pounds* was refused the sanction of the governor, although it contained a clause suspending its operation until the pleasure of the king should be known. The reason alleged being the pendency of the act above mentioned.

The injury inflicted upon British commerce by the extravagant paper issues of some of the other colonies, was the pretext set forth by the lords of trade for their hostility to such measures. But Smith shows that this argument was fallacious, because the remittances to England seldom took place directly from the province, but through the medium of Philadelphia and New York, where these notes, if at all permitted to circulate, could not there be a legal

tender, and so could never operate to the prejudice of foreign debts, as, notwithstanding what might be the difference of exchange, no person was obliged to take them: "which peculiarity is one which alone belongs to the state of trade in New Jersey, and renders their paper currency free from the objections usually urged against it by the British government."[1] The true reason of their hostility may, perhaps, be found in the circumstances that the *specific* disposition of the funds thus sought to be created was kept by the assembly in its own power, and the belief appears to have been entertained at that time, that if in these acts the paper money when made had been *directly* applied to specific objects (such as salaries &c.) so as to render the officers of the government independent of the assembly, "the *injury to British commerce*" would have been overlooked, and new issues of bills of credit permitted, perhaps even (as happened for such purposes in North Carolina) encouraged.

A message of Governor Morris to the assembly returning to them, unsigned, a bill for the creation of a loan office, &c., shadows forth the truer state of the case. He says: "If the bill had contained a *certain undisputed provision* for the support of the government, had a sufficient sum been appropriated for the building of a house and conveniences for the residence of the governor, and places and houses for the sittings of the council, and of the assembly, and for keeping the public records, I don't know how far I might have been induced to assent to it; but as none of these things are done or intended, I can neither assent to it myself or recommend it to his majesty."

[1] Smith's Hist. of New Jersey, Burlington, 1765.

A letter from Mr. Morris to the lords of trade, dated December 15, 1742, speaks of the transaction in nearly the same language; mention is also made of a bribe of £500, which the assembly indirectly offered for his assent to the bill, but which, in strong terms, he refused.[2] The letter goes on to say. "The foreign trade of New Jersey is not considerable * * * * Most, if not all, their European commodities are supplied from New York and Pennsylvania * * * so that what paper we have, for the most part, circulates among ourselves, and having no specie but those bills, what we have is really not sufficient for our use; and £40,000, or a greater sum added, would not be too much for the use of the province if made for proper ends or motives to induce the government to grant it and put under proper regulations to keep up its credit, which by the care taken since my coming to the government is £12 $\frac{10}{100}$ per cent. better than that of New York, and rising, and that of New York vastly superior to that of New England; £300 of which, as I am told, will not purchase £100 of New York money: and if I am rightly informed, it is to the people of New England is chiefly owing the complaints that have been made concerning a currency of that kind."

In another letter it appears that at this time £132, Jersey money, was equal to £88 sterling.

The governor evidently desired a palace for himself, remembering the docile action of the North Carolina assembly, which had for similar purposes poured forth tor-

[2]Gov. Morris' papers, p. 154, 155, 156.

[1]Gov. Morri's paper, p. 159.

rents of paper money, until the colony, was well nigh ruined.[1]

The action of the governor in rejecting the loan office bill, coupled with one for his own advantage, met with the approval of the lords of trade. The system, so much desired by the inhabitants, and which they had believed had enured so greatly to their welfare, was for the future no more to be granted: the extraordinary expenses incurred by the Province through Canadian and West Indian expeditions, undertaken at the suggestion and for the aggrandizement of the mother country, and the cost of guarding the extended frontier, could only be met by the issue from time to time of "war notes," redeemable within five years by heavy direct taxation. Nearly *two hundred thousand pounds* were struck in bills of credit for these purposes, between 1740 and 1758, which were to be and were redeemed within their alloted periods. Exchange was, through these vast additions to their currency, raised to 180 in East Jersey and to 190 in West Jersey.[2]

The expeditions, generally unsuccessful and unproductive, consumed these large sums, and the burden of taxation thus imposed for the redemption of the notes was in vain sought to be relieved by the establishment of a loan office: the annual interest on the mortgages in that case to serve toward the extinction of the war debt.

"The people are fond of it because they want it, which is no bad reason for the making of it," is the expression of Governor Morris[3] in his correspondence with governor

[1] Williamson's Hist. of North Carolina.

[2] Douglass.

[3] Morris Papers, p. 165.

Shirley of Massachusetts on the subject, "at first view it seems to be a mistake that a paper currency is a hurt to British trade, for if there was no paper currency what gold and silver is now sent home must remain on this side of the water."

Under the date of September 3d, 1744, Governor Clinton sends Governor Morris a counterfeit New Jersey bill, which had been passed at Norwich, Connecticut.

A loan office bill was again passed in 1758 and sent to England for approval. The lords of trade refused to sanction it, alleging as the excuse for their action the following reasons, which as they were equally potent against all subsequent laws of that nature, and would operate to prevent their becoming a law.

They objected:

First. That the assembly reserved to itself the disposal of the money thus sought to be created, and the right to judge of the propriety of its application.

Second. The surplus of interest was to be applied towards the redemption of the outstanding bills of credit, instead of taxation for that object as theretofore practiced.

Third. The bills themselves were made a legal tender.

Currency, issued under these conditions, could not be permitted by the lords of trade, but unless in this manner carried out, it seemed to the colonists that no relief could be expected from the notes. The privilege of the disposition of their own money was at hazard: the whole history of the province was a continued struggle between the prerogatives of the crown and the privileges of the people: sooner than lose their rights they were content to

go without their desire. The same "*factious*" spirit existed in the assemblies of some of the other colonies.

On behalf of those who desired such a currency it was urged that, while prudence dictated a certain limit to the amount of paper money proper for a circulating medium no evil could possibly ensue from the harmonious workings of a loan so secure and so well guarded as the previous ones, of which the foundations were mortgages upon the lands situated in the province, and hence as firmly based as the province itself. To skeptics were pointed out the faithful operations of the Pennsylvania loan office through a period of thirty years, which had met with such strong praise from Governor Pownall, and even the qualified[1] approval of Adam Smith: from which apparently such good results had arisen to the trade and prosperity of the province.

The utter insufficiency of the coin then in the colonies and the unlikelihood that in their dependent state it would ever become of greater amount, might, perhaps, have seemed a sufficient answer to the English financiers as a valid excuse for the creation of a currency of some other nature: necessarily a depreciated one, so that it would not be lost by exportation. The argument being, *that government is bound to supply a circulating medium for traffic, for those who are its dependents.*

In 1769 New Jersey ceased to issue bills of credit even for war purposes, and her penultimate issue under the crown bears date of that year. The restrictions of the parliament-

[1] The doubts of Adam Smith appear to have been only as to the fact, if the results actually were as they had been represented to him.

ary enactment applied to her and no farther creations of paper were to be allowed: taxation was to be her sole support.

The whole amount of the debt incurred by the province "for the king's use," as it was termed, was *three hundred and forty-seven thousand five hundred pounds*, of which, in 1769, there remained unredeemed and yet to be provided for £190,000, which, it was expected, would be discharged by taxation between 1770 and 1783. Heavy penalties were inflicted on such as should refuse the bills, and strenuous exertions were made by the assembly, through all means in their power, to preserve their credit; but the absence of positive records withholds the knowledge how far these efforts were successful. It is believed the depreciation existing was not at any time prior to the Revolution very great, although the only information we possess is that, in 1740, Anderson places exchange at 60 per ct. premium; [1]Douglass, in 1748, places it at 180, and 190. Other fluctuations, though unrecorded, must have taken place.

For ten years no further issues took place, and the colony quietly absorbed its redundance of paper money until 1774, when the desire for a loan office being as strong as ever, the legislature passed a law to erect one of *one hundred thousand pounds*,[2] and transmitted the act to England for approval, which, as it was divested of much of the objectionable features, it was hoped it might be permitted to receive. Not until the threatening voice of the colonies had become loud for the redress of their grievances was it

[1] Wright's *American Negotiator* agrees with Douglass.

[2] £25,000 additional were also ordered to be struck for other purposes.

deemed prudent, late in 1775, that the assent of the king should be given to the law; it was hoped that this approval of their ardent wish might serve to pacify the province or to divide it from the others. Even with the assent came the request that they would specifically apply a portion of the money thereby to be raised, towards the erection of a suitable mansion for the governor (W. Franklin) and for his council.

But the time for conciliation had forever passed away: loyal New Jersey was so no longer. A *de facto* government had been for some time in existence, and in it she had become a part and was represented. A community of oppression was the bond of union.

When, in December, 1775, the last crown governor communicated to the assembly the results of the deliberations of the king, casting aside, as soon as gained, their long sought for device, they resolved that such a course was now no longer prudent, nor even expedient, in view of the impending crisis. A convention of delegates from the several counties of the colony which had sprung into existence on the outbreak of the revolution, met again in the fall of this year, and resolved that the province should be placed in a state of preparation to resist the unjust encroachments and wicked demands of Great Britain. To provide arms, ammunitions, &c., for the militia, an issue of *thirty thousand pounds* in bills of credit was ordered: this sum was at a subsequent session, in February, 1776, increased to *fifty thousand pounds*. The bills (which are very rare) were to be, and were, redeemed before 1791. In form they were as follows:

"This bill by an ordinance of the provincial congress, shall pass current in all payments within the colony of New Jersey, for.....proclamation money. Dated the 20th day of February, 1776."

About the same time, the legislature resolved to use for the defence of the colony the notes which had been prepared for, and were to have been issued through, the loan offices; thus presenting the curious spectacle of bills bearing the name of the king and issued under his authority, converted into a means of destroying his power. With these notes New Jersey ceased for a while to issue paper money, and perhaps it would have been well had she never again been forced to this precarious resort. The sufferings which ensued from the expansion of the currency through the misguided action of the Continental congress, were as great within her borders as they were in the other states. Congress possessed no power to make its vast issues a legal tender; it could only recommend such action to the separate states comprising the Confederation. Believing that by this course they could remedy the financial disorders under which they labored, such a recommendation was accordingly made, and New Jersey, in August, 1776, declared the congress issues to be a legal tender for all purposes, and in payment for all debts, at the value expressed on their face; heavy penalties were to be inflicted on those who should refuse to receive them, or only at a depreciated value. Such persons were to be stigmatized as *traitors.*[1] Death was to

[1] The word *traitor* was as loosely used then, as in these later days.

be the penalty of those who were convicted of counterfeiting or altering the notes.

At the session of 1776-77, the assembly, still possessed of the idea that forcible measures *would* sustain the currency of paper in defiance of natural laws, passed an act "to prevent disaffected and evil disposed persons from destroying the credit and the reputation of the continental bills;" about the same time they resolved that such notes, as well as the balance of those outstanding which were issued under the authority of the crown, and those emitted by order of the provincial convention, should constitute their sole currency.

In October, 1777, the still further depreciation of the continental currency again claimed their attention. Governor Livingston in a message to the assembly stated that the congress bills had fallen in value below those issued by the state, and were frequently exchanged for the latter at a great loss to the holder; he recommended the suppression of "this infamous traffic," and severe punishment to all concerned therein. As a further preventive measure he suggested the recall of all the bills issued by the authority of the state, for which those of congress should be given in exchange. These ideas were not carried into effect at that time, and in April 1778, the state, in need of money, yet dreading to issue more paper, which would still more increase the evil caused by the conflict of the state and continental currencies, and tend yet further to destroy the value of the latter, had recourse to a forced loan of £259,000 from all her counties, for which she issued to them interest bearing treasury notes.

In May, 1779, action was taken upon the recommendation of the governor, and it was resolved to withdraw from circulation all the bills issued under the sanction of the crown, declaring that after the first day of January, 1780, they should no longer be receivable in payment of taxes, or in exchange for continental notes at the public treasury.

Doubts had arisen as to whether the action of the legislature making the United States notes a legal tender applied to those emitted after the act was passed; to settle the matter, in October it was declared that all such notes as well as those hereafter to be issued were included within the provisions of the law. The remedy of limitation of prices was frequently resorted to, in addition to *tender laws* as a means of settling the disorders of the country, and as frequently their operation was temporarily suspended. At this session a request was made by the assembly to congress to adopt some general system for limiting and determining prices for the whole of the United Colonies; when congress, in November, agreed upon a resolution recommendatory to that effect, New Jersey enacted a fresh limitation with stringent penal clauses against *engrossing*[1] and *forestalling*, inflicting on the offender a heavy fine and forfeiture, and empowering the seizure of provisions and supplies for the use of the army and of the state at the prices therein determined upon.

But the credit of the continental money, unlimited and enormous as to its extent, unprovided for as to its redemption, and sure of never being paid, should the colonies prove unsuccessful in the struggle, could not by violent

[1] These were *imaginary offences*, borrowed from the English common law.

and unnatural measures be sustained. Tender laws continually, more stringent and more severe, passed from time to time upon the recommendations of congress, only served to aggravate the evil, until at last that body (slow as in after times to discern that which is best) awoke to see that the measure to which they had trusted for their salvation, would prove, if persisted in, their general ruin. Congress recommended to the states in March, 1780, a revision of their tender laws, and in order to render an additional support to the government, it was determined to issue a new series of bills, to be based upon the joint credit of each separate state, and of the United States, which notes were to be exchanged for the old emission (of which, at that time, there were in circulation about *two hundred millions of dollars*) at the rate of forty dollars of the old, for one of the new issue.

The form of the notes were to be the same for each of the states, varying only in the name: they were to bear interest at five per cent, of which, as well as of the ultimate payment of the principal by the *thirty first day* of *December*, 1786, "the United States ensured the payment, and would draw bills of exchange for the annual interest if demanded, according to resolution of congress of March 18th, 1780." Of the whole amount issued, each state was to be permitted to retain six-tenths for its own use; the balance was to be at the disposal of the general government.

Acting thereunder, New Jersey, in June, 1780, ordered an issue (in notes varying in denomination from one dollar to twenty dollars) of *two hundred and twenty-five thousand* pounds, her quota under the resolution of congress, and

declared that in all future contracts and dealings no greater abatement was to be allowed on the old continental bills than the fixed exchange of forty for one. The whole amount ordered was, however, not deemed expedient to be issued, as owing to a want of confidence in the new notes they soon depreciated, rendering it no longer desirable to exchange for them the old emissions.

In November an act of tardy justice was performed. The lately agreed upon basis of forty for one was repealed, and it was enacted that the old emission notes should be current at their market value, irrespective of the amount called for on their face; this value was to be ascertained and published from time to time by the governor and council. No penalty now pursued the unhappy and misguided man who refused to receive these paper promises to pay at their own flattering estimate of their value.

In January, 1781, New Jersey, in common with most of the other states about this time, thought fit to prepare a scale of the depreciation of the continental money, by which the value of debts contracted at previous periods could be ascertained: certificates of depreciation for pay founded thereon were issued to the troops.

The following is the scale as then[1] adopted.

	1777.	1778.	1779.	1780.
January,.....	1	4	8	42
February,.....	2	4	10	50
March,.....	2	5	12	60

[1] A much more *minute* scale, giving the almost daily depreciation, occupying many pages of folio, is to be found in a subsequent law. It would be worse than useless to preserve it here.

	1777.	1778.	1779.	1780.
April,.....	2	5	16	60
May,.....	2	5	20	60
June,.....	3	5	20	60
July,.....	3	5	24	60
August,.....	3	5	24	
September,.....	3	5	24	
October,.....	3	5	30	
November,.....	4	6	36	
December,.....	4	6	40	

The credit of the notes just issued was doubtful: from so many relief-promising schemes had the people suffered, and so grievous their disappointments, that not even in the most attractive and seemingly most secure ones could entire confidence be placed. To preserve as far as possible the good character of the bills, the legislature resolved "*that they were determined to redeem at their full value of gold and silver all and every of the bills issued on the faith of the state.*"

The currency at that time consisted in continental and continental state bills, which, although abundant, were not sufficiently so for the purposes of trade, as none of them were of a smaller amount than one dollar. To remedy this trouble, and to serve as small change, *thirty thousand pounds* were issued (in notes of denominations varying from *sixpence* to *seven shillings* and *sixpence*), to be redeemed by the *thirty-first* day of December, 1787. But, naturally, even this small sum depreciated still further the amount already in circulation, and very soon the legislature was forced to comply with the clamor for the repeal of the law making these notes a legal tender, a clamor which, in all probability

arose from those who had been originally most zealous in favor of the enactment. In June that clause was repealed, as were also those inflicting penalties for the preference for gold and silver; the preamble reciting that the several compulsory acts previously passed to support the credit of the paper money had not answered the good purposes thereby intended. One year later it was resolved to withdraw from circulation the whole of this issue instead of permitting their full term of currency. This was accordingly done, and a small emission, which took its place in 1783, was soon likewise recalled.

The disorders natural to the protracted revolution were subsiding and commerce once again began to raise its head. No currency existed, save a trifling amount of specie and the chance notes of their own and the neighboring states.[1]

From the "mighty monster,"[2] as continental money was called, value had long since departed, save for the purposes of speculation, for which some considerable traffic in it was still carried on. The extremely limited quantity of gold and silver in the state was, for the purposes of trade, almost non-existent. To the government, as usual, the people looked, still impressed with the idea that from it must arise a currency.

A law passed by the legislature in 1786, creating an issue of *one hundred thousand pounds* in bills of credit, was rejected by the governor and council, who were afraid of again having recourse to this desperate venture; but the people grew violent, and their tumults became so alarming for the relief which they supposed would be afforded

[1] Peletiah Webster. [2] Ibid.

them by the measure, that a special session of the legislature was forced to be convened in May, in order to pass the law, which then, to appease the populace, the governor was obliged to sign.[1]

A strange phenomenon was exhibited in almost all the states at the close of the revolutionary war, namely, the rise of a *paper money party*.[2] It is naturally a matter of surprise, that a generation within whose memory exchange from Massachusetts or South Carolina upon England had been *one thousand per cent;* "which had within so recent a period been a spectator of, or actor in, the great drama of the origin, progress and downfall, of Continental money, Continental state money and state bills;" which had seen the hardships inflicted by the failure of so many promising projects; the poverty, the ruin, the embarassments, the frauds, the dishonesties, and miseries, which arose from the paper money: it is a matter of great surprise, that the so fresh reminiscences of all these things, should not have operated to prevent ever again a resort being had to this precarious relief. Perhaps the remembrances of the frauds perpetrated by the fluctuations of the old currency may have formed a portion of the reasons for which the paper money was demanded; debtors being more numerous than creditors. But the mob, in general, still believed in the talismanic efficacy of paper, at whose magic touch blessings innumerable and help for all their woes were to arise. Riots in some of the states and clamors in others effected their object; but in others of the

[1] Gordon; Mulford; Webster.

[2] Adams's letter.

states there existed patriots bold enough to breast unmoved the fury of the popular storm, and thus to save them from the dangers their neighbors so ardently seized. The letters of the statesmen of the time afford abundant proof of the assertion, and under these untoward circumstances, it is not remarkable that with the issue of 1786, faithfully redeemed, ends the history of the paper money issued by New Jersey.

APPENDIX.

A.

Pennsylvania Gazette, Feb. 13, 1766.

The Public are cautioned to beware of false Jersey Money now passing in this City, viz., Bills of 3*l.* April 23, 1761. Thirty Shilling Bills of April 8, 1762, and April 16, 1764.

☞ The Public are cautioned to beware of Counterfeit New Jersey Thirty Shilling and Three Pound Bills; there are three Emissions of them, two of Thirty Shillings, dated in 1762, and 1764; the first are badly done, and may be discovered from the whole Face of the Bill, the printing Letters running into the Escutcheon; but those of 1764 are so well done, that they are very difficult to be discovered; the only sure Mark is, that on the Back, at the Stem of the Sage Leaf, in the true Bills, is 30*s.*, but the false Bills have only the *s.*, 30 is left out.....The Counterfeit Three Pound Bills are dated in 1761, and not so well printed as the true Ones; the Impression is deeper in the Paper, and in the Word P L A T E the P is right over the A of April, in the false Bills, which is not so in the true Ones.....It is supposed these Counterfeit Bills came to New-York in one of the last Vessels from England, and that a large sum is already passed there.....One of the Accomplices, we hear, is in New-York Goal, and another of

them, one Michael Smith, is said to be gone into New-Jersey, with a large Sum of false Money, to purchase Cattle.....The above Description is the best we can give at present, from the Information we have received, not having seen any of the Counterfeit Bills.

B.

A Catalogue of the New Jersey Bills of Credit, comprising their Amounts, Denominations, and the Names of the Persons appointed to sign them, from 1723 *to* 1786.

No notice is taken of the early issues known as the "Canada expedition money," as in the laws which create them no particulars are given. The regular series does not begin until 1723.

1723.

November 30, (dated March 25, 1724,) £40,000.

4,000, each of £3.
8,000, do 30*s.*, 15*s.*, 12*s.*, 6*s.*, 3*s.*
12,000, do 1*s.* and 6*d.*
14,000, do 1*s.*

To be signed by John Parker, Robert Lettis Hooper, Peter Bard and James Trent. (Jacob Doughty and Enoch Vreeland, substitutes.)

1727—8.

February 10, (date March 25, 1728,) £24,760.

1,000, each of £6, £3.
4,000, do 30*s.*, 15*s.*
5,000, do 12*s.*, 6*s.*
7,000, do 3*s.*

8,000, each at 1*s.* and 6*d.*
12,200, do 1*s.*

To be signed by John Stevens and Isaac Decow.

1730.

July 8, £25,000.

625 notes, each of £6.
1,250 do 3.
2,500 do 30*s.*
5,000 do 15*s.*
7,500 do 12*s.*, 6*s.*
10,000 do 3*s.*
12,500 do 1*s.* and 6*d.*
16,250 do 1*s.*

To be signed by any three of Richard Smith, Caleb Raper, Andrew Johnston, and Michael Kearney (Samuel Bickley, John Stevens, alternates).

1733.

August 16, (date, March 25, 173–,) £40,000.

1,000 notes, each of £6.
2,000 do 3.
4,000 do 30*s.*
8,000 do 15*s.*
12,000 do 12*s.*, and 6*s.*
16,000 do 3*s.*
20,000 do 1*s.* and 6*d.*
26,000 do 1*s.*

Also, £10,000 additional.

250 notes of £6.
500 do 3.
1,000 do 30*s.*

2,000	each of	15*s.*
3,000	do	12*s.*
3,000	do	6*s.*
4.000	do	3*s.*
5,000	do	1*s.* and 6*d.*
6,500	do	1*s.*

To be signed by any three of John Stevens, Robert Hude, John Allen, and Isaac Decow (William Cox, Robert Smith, alternates).

1746.

June 28, (date July 2,) £10,000.

250	notes, each of	6.
500	do	3.
1,000	do	30*s.*
2,000	do	15*s.*
3,000	do	12*s.*
3,000	do	6*s.*
4,000	do	3*s.*
5,000	do	1*s.* and 6*d.*
6,500	do	1*s.*

To be signed by Samuel Nevill, Isaac Decow (William Burnett, and Steven Williams, alternates).

Also, £6,000 additional in the same proportions, &c., &c.

1755.

April 22, (date, May,) £15,000.

375	notes, each of	6.
750	do	3.
1,500	do	30*s.*
3,000	do	15*s.*
4,500	do	12*s.*, 6*s.*

6,000 notes, each of 3*s*.
7,500 do 1*s*. and 6*d*.
9,700 do 1*s*.

To be signed by Thomas Bartow, and Daniel Smith, Jr. (John Smyth, and Abraham Hewlings, alternates).

August 20, (date, November 1,) £15,000.

Same denominations and amounts, to be signed by Samuel Nevill, and Henry Paxson (Jacob Dehart and Joseph Hollinshead, alternates).

December 24, (date, January 1, 1756,) £10,000.

250 notes of £6.
500 do 3.
1,000 do 30*s*.
2,000 do 15*s*.
3,000 do 12*s*., 6*s*.
4,000 do 3*s*.
5,000 do 1*s*. and 6*d*.
6,500 do 1*s*.

To be signed by Samuel Nevill and Joseph Yard (John Smith, Joseph Hollinshead, alternates).

1756.

June 2, (date June 22,) £21,000.

625 notes of £6.
1,250 do 3.
2,000 do 30*s*.
5,000 do 15*s*., 6*s*.
5,500 do 12*s*.
6,000 do 3*s*.
7,500 do 1*s*. and 6*d*.
9,750 do 1*s*.

To be signed by John Smyth and Hugh Hartshorne (William Burnett and Joseph Hollinshead alternates).

1757.

March 21, (date, April 12,) £10,000.

500	notes of	6.
1,000	do	3.
2,000	do	30*s.*
1,334	do	15*s.*

To be signed by Samuel Nevill, Hugh Hartshorne (John Smyth and Joseph Hollinshead, alternates).

June 3, £5,000.

250	notes of	£6.
500	do	3.
1000	do	30*s.*
667	do	15*s.*

To be signed by Samuel Nevill, Hugh Hartshorne (John Smyth and Joseph Hollinshead, alternates).

1757.

October 22, (date, November.) £30,000.

1,100	notes of	6.
3,500	do	3.
6,000	do	30*s.*
4,000	do	15*s.*
6,000	do	6*s.*

To be signed by same persons as former issue.

1758.

April 4, (date, May 1,) £50,000.

1,834	notes of	6.
5,700	do	3.
10,000	do	30*s.*

7,000 notes of 15*s.*
5,487 do 6*s.*

To be signed by the same persons.

August 12, (date, October 20,) £10,000.

250 notes of 6.
500 do 3.
1,000 do 30*s.*
2,000 do 15*s.*
3,000 do 12*s.*, 6*s.*
4,000 do 3*s.*
5,000 do 1*s.* 6*d.*
6,500 do 1*s.*

To be signed by James Hude and Joseph Yard, (same alternates).

1759.

March 17, (date April 10,) £50,000.

Same amounts and proportions as April 4, 1758.

To be signed by Samuel Nevill and Daniel Smith, Jr. (same alternates).

1760.

March 25, (date April 12,) £45,000.

1,875 notes, each of 6.
2,759 do 3.
4,883 do 30*s.*
9,000 do 15*s.*
13,500 do 12*s.*
4,500 do 6*s.*
6,000 do 3*s.*
7,500 do 1*s.* 6*d.*,
9,720 do 1*s.*

To be signed by Samuel Nevill and Hugh Hartshorne (John Smyth and Daniel Smith, Jr., alternates).

1761.

April 7, (date of note, April 23,) £25,000.

917	notes of	6.
2,850	do	3.
5,000	do	30*s.*
3,500	do	15*s.*
1,372	do	12*s.*

To be signed by Samuel Nevill and Thomas Rodman (alternates, John Smyth and Joseph Hollinshead).

1762.

March 10, (date, April 8,) £30,000.

15*s.*, 30*s.*, £3., £6, known to be in existence; signers' names not found, nor *particulars* of the Act.

1763.

December 7, (date, 31,) £20,000.

250	notes of	6.
500	do	3.
1,000	do	30*s.*
2,000	do	15*s.*
3,000	do	12*s.*, 6*s.*
4,000	do	3*s.*
5,000	do	1*s.* 6*d.*
6,500	do	1*s.*

Signers unknown; no *particulars* found in the Act.

1764.

February 23, (date, April 16,) £25,000.

From 1*s.* to £6.

Signers unknown; no *particulars* found in the Act.

1776.

February 20, *Resolution of the Provincial Convention of New Jersey*, £50,000.

9,500	notes of	£3.
10,000	do	30*s*.
6,667	do	15*s*.
5,000	do	6*s*.

To be signed by Hendrick Fisher, Azariah Dunham, John Hart, Samuel Howe, Wm. Tucker, Ab'm. Hunt, Jos. Ellis, Alex. Chambers, Ab'm. Clark, Caleb Camp.

1776.

March 25, (date of *Act*, March 11, 1774,) £125,000.

3,125	notes of	6.
6,250	do	3.
12,500	do	30*s*.
25,000	do	15*s*.
37,500	do	12*s*. 6*s*.
50,000	do	3*s*.
62,500	do	1*s*. 6*d*.
81,250	do	1*s*.

To be signed by John Johnston, Rob't Smith (alternates, Jonathan Deare, Richard Smith).

1780.

June 9, (*Resolution of Congress*, March 18,) £225,000.

In bills of $1, 2, 3, 4, 5, 7, 8, 20.

Signers for the United States, Joseph Borden or Joseph Kirkbride. Signers for New Jersey, Philemon Dickinson and John Imlay (Moore Furman and David Brearly, alternates).

1781.

January 9. £300,000.

20,000 notes, each of 6*d*., 9*d*., 1*s*., 1*s*. and 6*d*., 2*s*. and 6*d*., 3*s*. 6*d*., 3*s*. 9*d*., 4*s*., 5*s*., 7*s*. 6*d*.

To be signed by David Brearly and Philemon Dickinson, (Robert Niel and Ben. Smith, alternates).

1783.

December, £31,259. 5*s*.

1,200	notes, each of	£6.
3,000	do	3.
3,977	do	30*s*.
3,975	do	15*s*.
3,976	do	12*s*.
		7*s*. 6*d*., 5*s*., 3*s*. 9*d*., 2*s*. 6*d*.

To be signed by the treasurer and auditor of the state, for the time being.

1786.

May 17, £100,000.

1*s*. to £6.

Names of signers not found in the laws as printed.

FINIS.



A

BRIEF ACCOUNT

OF

EMISSIONS OF PAPER MONEY,

MADE BY THE

COLONY OF RHODE ISLAND.

By ELISHA R. POTTER.

RHODE ISLAND EMISSIONS.

COLONY CURRENCY BEFORE THE INTRODUCTION OF PAPER.

WAMPUMPEAGE.—This was manufactured by the Indians, and was of two sorts, black made of the poqauhock or quohaug, and white made of periwinkles. Many of the shells of which it was made, came from Long Island. The Indians on the sea shore were the first to manufacture it, and the inland tribes afterwards learnt it from them. The English learnt to trade in it from the Dutch. The wampumpeage served for a long time as a medium of exchange, and its value was at several different times fixed by law. In 1643, Massachusetts made it a legal tender for any sum not exceeding 40 shillings, the white at 8, and the black at 4 a penny. In 1649, in Rhode Island, black peage was fixed at 4 a penny. In 1658, all peage was fixed at 8 a penny, but white peage was receivable for taxes at 6 a penny. In May, 1662, having fallen very low, the law forbid its being received any longer for taxes or fees.—*R. I. Hist. Coll.*, vol. iii, p. 20, 46, 63; *Holmes's Am. Annals.*

GOLD AND SILVER.—The gold and silver in the colonies was nearly all Spanish or Portuguese coin, as the exportation of English coin from England, was prohibited by law.

In 1652, Massachusetts erected a mint at Boston, to coin silver of sterling alloy into 12*d.*, 6*d.*, and 3*d.* pieces, in value less than the British pieces by 2*d.* in 1*s.* The stamp was a double ring, Massachusetts and a tree on one side, and on the other New England 1652, figures XII. VI. or III. according to its value, with a private mark. A law was made to prevent any other coin but this and English coin from circulating in that state. The date of 1652 is on all the pieces although the coinage was continued for several years. The exportation of it was discouraged, but in 1748 almost all of it had disappeared and been driven out of the country by the bills of credit.—*Douglas*, i, 433.

BILLS OF CREDIT.—After the Revolution of 1688, England was engaged in almost perpetual war with France, and as France was until 1763 in possession of Canada, of course the colonies were engaged with the mother countries. The first of these wars continued from 1689 to 1697, and it was for the purpose of paying off her soldiers on their return from an expedition to Canada in 1690, that Massachusetts made the first emission of paper money. It fell almost immediately to 14*s.* for £1. But it was soon called in, and from this time forward they continued to emit such sums as were needed for the treasury, and once in a while to call in a parcel by a tax. In 1711, they fixed the exchange of these bills at £140 for £100 sterling. In 1714 they emitted a bank, (as it was called) of £50,000. As they took the lead in the business, so they went beyond all the other colonies in the amount of their issues.—*Douglas*, i, 310; ii, 13.

EMISSIONS OF PAPER MONEY.

The first emission in Rhode Island, was £5000, in 1710. Another war with France had begun in 1702, which lasted until March 31, 1713. £2000 more was emitted the same year. The bills were of all denominations from £5 to 2*s*. They were to be receivable for colony dues, and were to pass as current coin in all payments (specialities excepted) for five years. The reasons given for the emission of the latter sum were the scarcity of silver, and the debts contracted by the expedition against Annapolis Royal. In October the assembly was obliged to pass a law to prevent counterfeiting the bills. As the bills were generally very coarsely made, it was no difficult matter to imitate them.

An important distinction is here to be noticed between bills emitted for the supply of the treasury, which emissions were generally in small sums as occasion required, and a *bank*, which was an emission generally of a large sum, not for the exigencies of government, but to be loaned out at interest to the people on mortgage security for a term of years.

In July, 1715, a bank of £30,000 was emitted in bills of from £5 to 1*s*., which with £10,000 more emitted the same year, was called the First Bank. The reasons given in the act for the emission, were the long war against the French and Indians, the expeditions to Port Royal, and Canada, &c. They were to be loaned out to the inhabitants of the towns at 5 per cent. interest for 10 years, on mortgage security of double the value. The annual pay-

ment of the interest was not provided for in the mortgages, but was secured by bonds, and thus the state was afterwards defrauded of a large part of the interest. (See laws and schedules Feb. 173$\frac{7}{8}$ and Dec. 1738). £1000 of the interest was to be annually appropriated to take up so much of the paper in circulation.

In May, 1716, Massachusetts issued a bank of £100,000.

In May, 1721, Rhode Island issued a second bank of £40,000, to be loaned out for five years in the same manner as the first bank, and the interest to be payable in hemp or flax. Half of the annual interest was to be divided rateably among the towns. The reason given for the emission was the scarcity of specie.

June, 1726, the £5 and 40*s.* bills of 1715 and 1721 having been counterfeited, were ordered to be called in and exchanged.

The colony continued from time to time to issue bills in small sums as they were wanted to supply the treasury. And whenever a quantity of the money was received into the treasury, a committee was appointed by the general assembly to burn it, and their reports are to be found in the schedules.

In May, 1728, the time of payment of the first bank was extended from 10 to 13 years, and then instead of being paid all at once, the borrower was allowed 10 years more to pay it in, one-tenth annually, without any interest after the expiration of the first thirteen years. The time of the second bank was extended in June, 1728, to 13 years, and then to be paid in, as above mentioned.

The depreciation of the bills, which begun soon after the first emission, must have been increased by this extension of the time of their redemption.

In May, 1728, a third bank of £40,000 was emitted and loaned out for 13 years. The reason given in the act was the decay of trade and commerce.

In 1731 and 1733, new banks were emitted, the latter of £100,000.

The bills of one colony generally passed in the neighboring colonies the same as their own bills, and the rate of depreciation was affected to a considerable degree by the amount issued by any colony in the neighborhood. The rate was probably about the same in Massachusetts and Rhode Island.

It will be observed that although the colony took mortgages for the bills they loaned out, these mortgages were not the least security to the bill holders. The bills were mere promises from the colony to pay a certain amount to the bearer, and the holders had nothing but the good faith of the goverment to depend upon. Thus they differed essentially from the bills of the banks now established in Rhode Island, for the payment of which, all the property of the corporation, and in numerous cases, the private property of all the stockholders of the corporation is pledged.

There was at first a combination made in Massachusetts to refuse to receive the Rhode Island bills of 1733, but it was not long adhered to. Large emissions were made the same year in Massachusetts, and the rate of depreciation very much increased.

To the emission of 1731, considerable opposition was made in Rhode Island. Gov. Jencks dissented from the passage of the act, and endeavored to establish his right to a negative, but did not succeed. Memorials against it were presented to the general assembly, from the merchants of Newport, complaining of the ruinous effects of the paper money on property and trade. After the act passed, the memorialists took out certified copies of the memorials and other papers for the purpose of sending them to England; upon which the deputy governor, Wanton, convoked the general assembly at Newport, August 3, who took away the copies from the memorialists and forbid the colony seal to be put to any thing of the kind. Petitions and memorials from the governor, the Newport merchants, the council and the assembly were afterwards forwarded to the British government, with what effect is not known.

The English government had at various times endeavored, but with little success, to restrain the emission of bills by the colonies. A proclamation was issued by Queen Anne, June 18, 1704, and an act passed in 1706-7, the 6th year of her reign, fixing the value of coin in the colonies. An order of council was also made May 19, 1720, forbidding any emissions by the colonies without royal assent.

One observation may be made here. The legislature sometimes attempted to fix a sort of scale of the rate of depreciation at which the bills should pass. But the rate fixed by them was seldom so high as the actual rate. In Massachusetts an endeavor by some of the council to fix

the legal rate as high as it actually was at the time among the business portion of the people, subjected them to a great deal of odium.

The emissions of paper money were generally opposed by the merchants and business men, and the more intelligent part of the community. They were generally advocated by the multitude who were indebted and distressed in pecuniary circumstances as a measure of relief. It was an easy way of paying old debts. And members of the general assembly would often be inclined to favor the emissions, not only from the desire of popularity, but the less honorable motive of pecuniary interest. Pretences were never wanting. The colony was in debt; the fort was out of repair, or a new gaol or court-house was to be built. And when the specie had been driven away by the increase of paper money, the "scarcity of silver" was a fresh excuse for further issues. And each new issue only involved the people as a whole in greater difficulties.

Those who were involved in debt, borrowed of the colony, on mortgage, a sufficient sum to pay those debts, as the bills were in many cases made a tender. At the end of the time fixed for paying the colony, a sufficient quantity of the same bills could be procured at a very low rate, and in many cases the government was defrauded of the interest.

The paper money was probably from about this time one of the great subjects of party warfare. Governors were elected and turned out, as the different interests happened to prevail.

Of the interest of the emission of 1731, a bounty was

established of 4*d.* per lb. on flax, 9*d.* per lb. on hemp, 5*s.* per bbl. on whale oil, 1*d.* per lb. on whalebone, and 5*s.* per quintal on codfish, produced in Rhode Island, or brought in in Rhode Island vessels. The bounty was to continue for ten years. Of the interest of the bank of 1733, half was to be divided rateably among the towns.

In the emission of a bank of £100,000, in August, 1738, provision was made for loaning it and for securing the *payment of the interest*, as well as the principal, by mortgage. The colony had lost a considerable part of the interest of former banks, as it was only secured by bonds.

By a report made by a committee to the general assembly in October, 1739, it appears there had been issued for the supply of the treasury up to that time £114,001 15*s.* and £3000 to lend to Nathaniel Borden. There had been called in and burnt £105,704 15*s.* 3*d.*, leaving about £11,296 in circulation. But it must be recollected that this was in addition to the outstanding bills of the several banks.

In September, 1740, on occasion of an expedition and fitting out a vessel against the Spaniards, a bank of £20-000 was emitted. The former bills had merely expressed so many pounds, shillings, &c. on their face, but the Legislature further attempted to fix the value of the new bills by saying that they should be equivalent to a particular quantity of gold or silver. The same plan, as Hutchinson says, was attempted in Massachusetts in 1741. These bills were to be in value 9*s.* to an ounce of silver of sterling alloy, or £6 13*s.* 4*d.* to an ounce of coined gold.

Now began the denominations of *new* and *old tenor*.

Occasionally however after this, bills were struck off upon the old plates. The new bills were called new tenor and the former bills old tenor. The bills emitted after this, it is believed, continued to be called new tenor untill about 1756-8. The bills emitted after that time were called *lawful money bills*.

In Massachusetts the bills went by different names also, viz: old tenor, middle tenor, new tenor first, new tenor second.

In December, 1740, the assembly having received instructions from the lords justices in England to observe the act of the 6th Anne, amended the act they had passed in September. The bills were to be loaned, and the borrowers, when the time came, were to make payment in the same bills, or in silver at 6*s*. 9*d*. per oz., or in gold at £5 per oz. This value was expressed on the face of the bills. In May, 1741, the assembly made 6*s*. 9*d*. of the new tenor equal to 27*s*. of the old tenor (that is, one to four) in discharge of all contracts, judgments, or otherwise. Great difficulty was found in collecting in the different banks as they fell due. The assembly on several occasions were obliged to order the mortgages and bonds to be put in suit.

In February, 1743-4, a bank of £40,000 was emitted of the same fixed value as the last, and one quarter of the annual interest was appropriated to be divided among the towns.

September, 1744, a colony tax of £10,000.

In August, 1746, the qualification of voters was raised from £200 to £400.

In 1748, Dr. Douglas estimated that there were in circulation in the several colonies, bills (calculated in *old tenor*) to the following amount:

Massachusetts,	£2,466,612.
Connecticut,	281,000.
Rhode Island,	550,000.
New Hampshire,	450,000.

He also gives the following table of the province rates of Massachusetts at different times.

1702,	£6000.	1743,	£60,000.
1720,	6000.	1745,	120,000.
1730,	8000.	1747,	168,324.
1740,	39,000.	1748,	381,672.

By report of a committee to the general assembly, made in February, 1749, the following was then the state of the paper money business, giving the outstanding bills with the values as they reported them.

			Equal to sterling
Outstanding of bank of	1758	£8000	£727 5. 6.
	1731	12,000	1090 18. 8.
	1733	40,000	3627 5. 6.
	1738	90,000	8181 16. 4.
	1740	20,000	7272 14. 6.
	1743	40,000	14,545 9. 1.
		£210,000	£35,445 9. 2.
Bills issued to supply treasury mostly in 1746 and 1747.		110,444 2. 3½.	1040 7. 5.
Nominal amount,		£320,444 2. 3½.	£36,485 16. 7.

This report was made in answer to a requisition of the

English government, and no doubt gives the most favorable view of the case. They probably estimated the bills at their legislative values, and they seem to have considered as outstanding only those shares or payments which had not then fallen due, whereas of those payments which had become due a great part was with difficulty collected.

In December, 1748, Massachusetts made provision for taking up the greater part of her paper then in circulation at a specified rate with the money she had lately received from England to reimburse the expenses of the war, and the remainder by taxes, and in a very few years their circulation ceased. The bills of the other colonies were prohibited passing there. Dr. Douglas considers the change made by the act was rather too sudden, and the operation of parts of the act was, indeed, several times postponed. Many people anticipated a shock in business, but none took place there. The trade of Rhode Island, however, did receive a shock in the loss of the West India importing business, which they had always done for Massachusetts.—*Hutchinson*, 440.

By the Massachusetts act of 1748, a Spanish piece of eight was fixed at 6*s.*; an ounce silver at 6*s.* 8*d.* The pieces of eight were then worth 4*s.* 6*d.* sterling.—*Douglas.*

Rhode Island also, at several times received grants of money from parliament for expenses incurred in the wars, but they did not stop their paper issues.

The measures taken in Massachusetts produced, as might be expected, a great effect upon the value of the paper of Rhode Island. About this time it fell to *one half* of its former value.

In April 1750, the Massachusetts and Rhode Island bills were at par with each other. September 1, 1750, the Rhode Island bills were worth 20 per cent. less than Massachusetts bills; that is, a piece of eight in Massachusetts sold for 45*s.* old tenor, and in Rhode Island for 56*s.* old tenor.—*Douglas.*

April, 1750, the exchange with London, in Massachusetts, was 11½ to one. In September of the same year, it was 9½.

The state of things in Rhode Island must have been very unfavorable to trade. In the year 1752, Joseph Whipple, an eminent merchant at Newport, and at that time deputy governor, failed and resigned his office, and was obliged to petition for an act of insolvency. Before this failures were said to have been almost unknown in Newport.

Dr. Douglas observes that in 1750, the paper money party got the majority in the lower house in Rhode Island, but that the upper house were rather opposed to the system.

In March, 175$^{0}_{1}$, the ninth bank of £25,000 was emitted on new plates. It was for the purpose of giving bounties on flax, *manufactured* wool, the whale and cod fisheries. The bills were made equal to silver at 6*s.* 9*d.* per ounce Troy, or gold at £5 1*s.* 6*d.* per *ounce.* 6*s.* 9*d.* of this emission was to be equal to 13*s.* 6*d.* new tenor, or 54*s.* old tenor. Penalties were imposed to prevent depreciation below the following rate, viz: £137 10*s.* of this emission, or £275 new tenor, or £1100 old tenor for £100 sterling.

In June, 1751, the act was amended. The bounties

were abolished; that on manufactured wool as being displeasing to England, and the others as useless, and the interest was appropriated to take up bills emitted for the supply of the treasury. And 64*s.* old tenor, or 16*s.* new tenor, or 6*s.* 9*d.* new bills, was made equal to 1 ounce coined silver of sterling alloy. The bills were to be for ounces instead of pounds, and to be let for ten years instead of five.

In February, 1752, the value of a Spanish milled dollar was declared to be 56*s.* old tenor, as was the intent of the act of June 1751.

In October, 1754, £25,000 of an old tenor tax of £35,000 was appropriated to sink bills.

In February, 1756, £8000 *lawful money* bills emitted to be payable in two years. The value expressed in them was 6*s.* 8*d.* to an ounce of silver.

In August, 1756, the assembly made provision for sinking the bills which had been issued in $175\frac{5}{6}$ for the Crown Point expedition. One dollar specie was to be paid from the treasury for every £4 old tenor. A part of what was brought in was to be exchanged for treasury notes.

In the acts which were passed about this time for emissions, provision was generally made for taking up the bills at specified times by taxes or otherwise. And I believe that after May, 1758, the bills emitted generally bore five per cent. interest.

In August, 1759, the paper money or grand committee's office was settled up. The *non est* bonds (bonds which had been sued and the writs returned *non est inventus*) amounted to £41,869. The unsatisfied judgments on bonds to £8400,

and there were about £35,000 of bonds lodged in the hands of individuals to collect.

In October, 1761, £4500 sterling received from England was appropriated towards redeeming the bills emitted in June, 1759, and the interest on the bills to be stopped. Treasurer ordered to reckon one dollar, = 4*s.* 6*d.* sterling, 6*s.* lawful money in paying them.

By report of a committee made in August, 1762, there were then outstanding,

Old tenor bills,	£93,687 15*s* 2½*d*
Crown Point old tenor,	2321 17
Lawful money,	66,403 4 6

This does not include (I believe) any of the banks.

In September, 1764, old tenor bills were ordered to be received in payment of a tax at the rate of 23⅓ for one of the lawful money bills.

From time to time, acts were passed for calling in the bills of the different emissions, and giving to the holders of them treasury notes, when no other means were at hand. And these notes depreciated to about the same extent that the bills had done.

In June, 1763, the assembly passed an act, in the preamble of which, they refer to the act of 6th Anne, declaring silver and gold only to be lawful money, and that all contracts should be discharged in them, unless otherwise specially agreed. Value of certain coins in lawful money to be, viz.

English crown, weighing	19 pwt. 8½ gr.	£0 6*s* 8*d*
English shilling,	3 pwt. 20 $\frac{9}{10}$	0 1 4
Spanish milled dollar,	. . .	0 6 0

One ounce of coined gold, . . . £5 1*s.* 4*d.*

It further provided that debts contracted to be paid in old tenor, should be discharged by paying so much of the bills as in actual value is equal to the nominal debt, (interest, if any to be, at six per cent.) or else in so much lawful money as the bills are worth. The following table was made for the courts, as the old tenor value of a Spanish milled dollar.

1751,	£2 16*s.*	1758,	£6 0*s.*
1752,	3 0	1759,	6 0
1753,	3 10	1760,	6 0
1754,	3 15	1761,	6 10
1755,	4 5	1762,	7 0
1756,	5 5	1763,	7 0
1757,	5 15		

The passage of this act was protested against. See *Schedules.*[1]

In October, 1764, a committee reported that there were then outstanding about £40,000 bills issued to carry on the war, and that these with the remnant of the old tenor bills would come to an end in 1767. This statement was prepared for the purpose of being sent to England.

In November, 1764, a sum of money received from England was appropriated to pay the bonds which had been given to redeem the bills of credit. The rate was to be $1=4*s.* 6*d.* sterling=6*s.* lawful money.

In February, 1769, 6*s.* lawful money ordered to be reckoned equal to £8 old tenor in payment of a tax.

[1] The pamphlets containing the proceedings of the sessions of the general assembly of the state.

By an act of September, 1770, the passage of old tenor bills after January 1, 1771, was prohibited. They were to be brought into the treasury and exchanged for treasury notes at the rate of 6*s.* for £8 old tenor.

October 3, 1770, King's county jail was broken open in the night by a number of people in disguise, and several prisoners, one of whom was sentenced to be hung, let out and made their escape on horses which their friends had ready for them. Most of them were in confinement for counterfeiting, which, although the punishment had always been death, was now become a frequent offence.

In May, 1775, the colony having voted to raise troops, issued £20,000 in bills bearing 2½ per cent interest, and made it a tender for all debts, 6*s.* 9*d.* to the silver ounce. In August the continental bills, of which there now began to be large emissions by congress, were made a tender at the rate of 6*s.* to a dollar. Emissions were now made often by the colony. The persons who should endeavor to lower the value of the bills were declared public enemies, and all means were used and penalties imposed, during the revolution, for the purpose of keeping up their value.—*Schedules*, Aug., 1775, July, 1776, Feb., 1780.

In December, 1776, a committee of the New England States recommended to them to emit no more bills of credit, unless absolutely necessary, but to tax or borrow, and to emit (if any) bills bearing four per cent. interest, and payable in three years. The general assembly approved of this plan, and ordered £40,000 to be hired, and notes given payable in two years, with six per cent interest. The notes were to be given for dollars, and the assembly

reserved a control over the interest. In February, 1777, they ordered £50,000 lawful money to be hired, and notes given (in dollars) payable in five years, with four per cent interest. They also made these notes a legal tender.

This year they began to lay taxes again, and it would seem from the schedules of December, 1777, that Providence consented to a very high valuation, in order to induce the assembly to lay the tax.

December, 1777, the assembly ordered all bills over one dollar which were not on interest, to be called in and burnt.

The money issued by the continental congress had now probably become the principal circulation, and had depreciated greatly. In June, 1780, the assembly raised all the fees, fines and forfeitures, established in 1774, forty for one. In November, 1780, the assembly fixed a scale of depreciation for the continental bills, from January 1, 1777, to April, 1780. All contracts were to be discharged in specie (except in some specified cases), and the tender acts repealed. May, 2d sessions, 1781, the scale was continued down to that time, and one dollar of the new continental emission was made equal to twelve dollars of the old. The judges were appointed to fix the rate of depreciation from time to time, and to publish it.

Acts were passed May, 2d session, 1778, June and November, 1782, for consolidating the paper money, ordering all bills and notes to be brought in to the treasury, interest calculated at six per cent from June 1, 1778, when they were struck out of circulation, and new notes given bearing interest.

May, 1786. After a hard contest, the paper money party prevailed in the election and John Collins was elected governor. A bank of £100,000 was issued to be loaned out in the usual manner at four per cent for seven years, and then one-seventh to be paid annually. These bills were made a legal tender except for debts due to charitable corporations. Acts were passed in June and August to keep up the credit of the bills and repealed in December. In September, 1789, the bills having fallen very low, the law making a tender was repealed. Of this emission of 1786 the following sums were afterwards burnt:

In February,	1793,				£45,846	7*s.*
February,	1794,				6,624	9 3*d.*
June,	1794,				3,284	4 6[1]
January,	1795,				9,440	8 2½
January,	1796,				7,320	8 5½
June,	1797,				5,062	6 0½
June,	1798,	£412	15*s.*	11*d.*[1] =	6,191	18 9
Sep'r,	1798,				990	0 6
June,	1799,	211	14	2[2] =	3,175	13 8½
May,	1800,				1,583	14 9
May,	1800,	72	16	2½ =	1,092	2 10½
May,	1801,				679	12 6
May,	1801,	113	6	5½[2] =	1,699	17 8
June,	1802,				2,280	15 6
May,	1803,				1,391	11 0

In June, 1788, the remainder of the emission of 1780 was ordered to be called in and exchanged for bills of May, 1786.

[1] Which had never been loaned. [2] Lawful Money.

In June, 1791, the assembly fixed the following scale of depreciation for the bills of May, 1786, to be used in ascertaining the amount due on certain state securities:

Six shillings in specie to be equal

1786, July 1st	"	9*s.*	of the bills.
" August 1st	"	10	"
" September 1st	"	12	"
" October 2st	"	18	"
" November 1st	"	20	"
" December 1st	"	21	"
1787, January 1st	"	24	"
" February 1st	"	27	"
" March 1st	"	30	"
" April 1st	"	34	"
1788, April 1st	"	38	"
" July 1st	"	45	"
1789, January 1st	"	60	"
" February 1st	"	66	"
" April 1st	"	72	"
" May 1st	"	78	"
" July 1st	"	90	"

In October, 1789, the rate of the bills of 1786, was fixed at fifteen dollars for one of silver, in payment of all judgments for silver. At the same session they provided that debts might be paid in real estate or produce, and that the bills of '86 should be a tender at par for all contracts made since November '86, unless made specially for gold or silver. In September, 1790, an act was passed to allow those who had hired the money to pay it in before it became due. The bills of this emission have been made

receivable at the rate of fifteen for one in payment of several taxes.—*Schedule*, June 1817; June, 1818; June, 1819, &c.

The depreciation of the paper of 1786 must have been hastened by the decision of the supreme court in the celebrated case of *Trevet vs. Weeden*, at the September, Newport term, 1786, that the act of emission was unconstitutional in several important particulars. For this decision the judges were summoned before the assembly and heard there by counsel, and after various debates and proceedings, they were discharged October, second session, 1786.

The preceding minutes have been compiled principally from the state records and Dr. Douglas's *Historical Summary of New England*. Several quotations are also made from a well known work of Mr. Gouge.

A part of the present state debt can be traced back to the treasury notes which were given at many different times to take up portions of the circulating paper. There is probably a considerable amount of paper money now in the offices of the clerks of the courts, where it has been lodged at different times for tenders.

To the table of emissions is added a column to show the amount of paper burnt by the general assembly from time to time, in which, however, complete accuracy is almost unattainable, as the reports of the committees who burnt the money do not always distinguish between the nominal value of the bills and their value in old tenor. The figures are intended to express the nominal value, or that which is expressed upon the face of the bills.



Date.	Emitted.	Burnt.
1689, May,[1]		
1690,[2]		
1698,[3]		
1702,[4]		
1710, May,[5]	£5,000	
" Oct.,	1,000	
" Nov.,[6]	1,000	
1711, June,	6,000	
" Nov.,	300	
1714, June,[7]		£1102 8*s.* 6*d.*
1715, July,	30,000	
" Oct.,[8]	10,000	300 0 0
1716,[9]		
1717, June,		1722 14 9
1718, June,[10]		540 7 6
" Sept.,		874 13 0
1719, June,		1151 11 1½
1720, June,		858 10 11½
1721, May,[11]	40,000	

[1] War with France until 1697.

[2] Massachusetts first emitted bills of credit.

[3] Samuel Cranston governor.

[4] War with France until March 1718.

[5] On account of French and Indian war.

[6] To pay debts for Annapolis Royal expedition.

[7] Massachusetts issued a bank of £50,000.

[8] First bank to be let out at 5 p. c. for 10 years. May 1728, time of payment extended.

[9] Massachusetts issued a bank of £100,000.

[10] War begun with Spain.

[11] Bank issued on account of scarcity of specie. Let for 5 years at 5 p. c. May 1728, time extended.

Date.	Emitted.		Burnt.		
1721, June,[1]			£255	0	4
1722, June,			451	19	10½
" Aug.,			235	5	1½
1723, Feb..	£2.000				
" June,			642	12	1
1724, June,			907	16	6
1725, June,			869	18	7½
1726, June,	49634	5*s.* 0*d.*	594	18	1½
1727, June,[2]			14991	0	1½
1728, May,[3]	40,000				
" "	3,000				
" June,	2,000		10573	10	10
" "	3,000				
1729, June,			4536	16	6
1730, June,			3608	5	7½
" Oct.,	1,000				
1731, June,[4]	6,000				
" "			4198	17	6
1732, June,[5]			2381	6	1½
1733.			3946	2	6
" July,[6]	100,000				
" "	4,000				

[1] Massachusetts issued a bank of £50,000.

[2] Joseph Jencks, governor. 1727 Massachusetts issued a bank of £60,000.

[3] Bank. Decay of trade and commerce.

[4] Bank.

[5] William Wanton governor.

[6] Bank. Massachusetts made large emissions this year.



Date.	Emitted.	Burnt.
1734,[1] Oct.,	£2,067 10	
1735, Aug.,		£1,015 13 1
1735, June,		3,514 9 0½
1737, June,[2]	30,000	
1738, May,	10,000	
" June,		26,269 15 10
" Aug.,[3]	100,000	
1739, or before,[4]		2,067 10 0
" Aug.,[5]		14,077 9 2
1740, Sept.,[6]	20,000	
" "	10,000	
1741, May,[7]	8000	
" Oct.,	8000	
1742,[8]		
17$\frac{4}{12}$, Feb.,[9]		
17$\frac{8}{12}$, Feb.,[10]	40,000 new tenor.	
1744, March,	10,000	
1745, May,[11]	15,000 or £3,750 new tenor.	

[1] John Wanton governor.

[2] An emission to exchange torn bills.

[3] Bank.

[4] See report of committee.

[5] About £11296 in circulation of bills emitted to supply treasury.—*See Report*

[6] Bank. New tenor. The new bills to be equal one to four of the old. Expedition against the Spaniards.

[7] Richard Ward governor.

[8] War again.

[9] £24000 ordered to be emitted to exchange bills of 1740 called in.

[10] William Greene governor. Bank. Let for 10 years at 4 p. c.

[11] 1745–8. Massachusetts issued large sums.

Date.	Emitted.	Burnt.
1745, Sept.,	£20,000 or 5000 new tenor.	
1746, June.[1]	45,000 or 11,250 new tenor.	
1747, Feb.,[2]	60,000 or 15,000 new tenor.	
1747/48, Feb.,[3]	30,000	
1748,[4]		£88,725 0 0
1749,[5]		
1750, March,[6]	25,000	
1751, June,		24,280 2 0
1753, Feb. and Oct.,		45,885 old tenor.
1754, Feb.,		1647
1755, March,	60,000 old tenor.	
" June,	40,000 " "	
" Aug.,	20,000 " "	
" Sept.,	60,000 " "	
" Dec.,[7]	60,000 " "	

[1] Expedition to Canada.

[2] 1747. Gideon Wanton governor.

[3] 1748. Peace.

[4] William Greene governor. Douglas estimates the bills of Massachusetts £2,466,712. Connecticut 281,000. Rhode Island 550,000. New Hampshire 450,000.

[5] By committee's report £135,335 13*s*. 1½*d*. were in circulation of bills emitted for supply of the treasury. Of this amount £24,891 10*s*. 10*d*. was actually in the treasury.

[6] Ninth bank. In report of 1764, the bills of 1750 are said to be then equal £20 to £6 sterling.

[7] Crownpoint money. Stephen Hopkins governor. The Crownpoint bills were all sunk within two years from their date.



Date.	Emitted.			Burnt.		
1756, Feb.,[1]	£8,000[2]			£13,792	0	0
" Aug. & S.,	6,000[2]			18,208	0	0
" Nov.,				18,430	3	0
1757, March,				177,006	11	6
" June,[3]				11,400	7	0
1758, Feb.,				11,693	3	11
" May,[4]	10,000					
1758, Sept.,				6,695	11	2
" Oct.,[5]	10,909	1	9			
1759, Feb.,	12,000					
" "	4000					
" June,[6]	4000			7072	14	10
1760, Feb.,	16,000					
" March,	11,000					
1761, Feb.,[7]				1072	9	9
" May,				48	2	6
1762, Feb.,[8]	5000	3	6			
" March,	2000					

[1] War declared with France. Hostilities had begun in the colonies the year before.

[2] Lawful money.

[3] William Greene governor.

[4] Stephen Hopkins governor. These bills bore 5 p. c. interest.

[5] Bearing 5 p. c. interest.

[6] Battle on Plains of Abraham.

[7] War with Spain.

[8] 1762. Havana taken, August, 1762. Committee estimated there were circulating, old tenor, ... £93,687 15*s.* 2½*d.*
Crownpoint, old tenor, ... 2,821 17 0
Lawful money bills, ... 66,408 4 6

Date	Emitted.		Burnt.	
1762, May,[1]	£2,000	£10,506	0	9
" Aug.,		87,059 old tenor.		
" Sept.,	4,000			
1763, Aug.,[2]		48,787	0	0
" Oct.,		426	0	0
1765, Feb.,[3]		80,063	0	0
1766, Feb.,	660	4,661	16	4
1767, Feb.,[4]	2,000	about 75,566	0	0
1768, Feb.,[5]		4070	0	0
1769, Feb.,[6]		57,174		
" Oct.,		about 11,000		
1770, May,		40,317	12	1
" Oct.,		810	11	5
1772, Oct.,		44,694		
1773, May,		9,560		
1775, May,[7]	20,000			
" June,[7]	20,000			
" Aug.,[8]		8,902	9	6
" Oct.,	20,000	9,352		
1776, Jan.,[9]	40,000			

[1] Samuel Ward governor.

[2] 1763. Stephen Hopkins governor. Feb. 1763. Peace with France and Spain. Canada acquired.

[3] May. Samuel Ward governor.

[4] May. Stephen Hopkins governor.

[5] May. Josias Lyndon Governor.

[6] May. Joseph Wanton governor.

[7] To bear 2½ p. c. interest. Nicholas Cooke governor.

[8] Old tenor.

[9] Without interest.



Date.	Emitted.	Burnt.
1776, March,	£20,000	
" July,	10,000	
" Sept.,	$66,670	
" Dec.[1]		
1777, Feb.[2]		
" May,[3]	$15,000 = £4,500	
1778, Oct.,[4]		£73,193 15 5
1779, March,[5]		
" June,[6]	£40,000	
1780, June,[7]	20,000	
" July,[8]	not over £39,000	
1781, March,[9]	about £38,000	
1783, Oct.,	about 6,000	
1785, Oct.,		11,479 11 6
1786, May,[10]	£100,000	
1789,[11]		

[1] £40,000 hired on 6 p. c. notes.

[2] £50,000 hired on 4 p. c. notes. About £7000 of these notes burnt, March, 1781, besides what is set against that month.

[3] Emitted in treasury notes, payable in 1785.

[4] Of bills of 1775 and 1776, May. Wm. Greene governor.

[5] Council of war issued a quantity, of which £10,920 was burnt in March, 1781.

[6] Issued in treasury notes of £10 each, of which £39,870 was burnt in 1781.

[7] To bear 5 p. c. interest, payable in 1781. Made a tender—confiscated estates pledged for their redemption.

[8] On the credit of the U. S. at 5 p. c. interest.

[9] $871,568 old continental bills burnt = £61,470 5*s*.—this had been exchanged for new bills.

[10] Bank. John Collins governor.

[11] Arthur Fenner governor.



small bills to exchange for larger money to burn, £2000
At the same time made more by the grand committee, 67 10 £2,067 10

1737, June, An act passed for emitting to exchange torn bills, 30,000

1738, May, An act passed to emit for the same purpose, 10000

£114,001 15

Anno 1728, Impressed and lent to William Borden, without interest, the sum of £3000, for ten years, and afterwards continued by act of assembly for five years longer after the expiration of the first term.

The Colony of Rhode Island, *Cr.*

1715, Oct. By the £300 debited on the other side being lent to Capt. James Green for a term without interest and by that general assembly ordered to be burnt, £300

1732, By bills of the first impression, burnt by order of the several general assemblies from the year 1714 to the year 1732, amounting to by list thereof, No. 1, 11,499 1 10

By £5 and 40s bills exchanged of them that were called in by the general assembly in June, 1726, and burnt by order of the several

... from the year ... 1732, amounting ... No. 2,	£30,383	
... the grand committee ... and burnt by the ... assembly, being old ... received of the sev- ... treasurers for the small bills ... in Oct., 1734,	2,067	10
... of all impressions burnt ... cover of the several general ... notes, from the year 1717 to ... year 1739, amounting to by ... hereof, No. 3,	61,455	3 5
...ged in the general treasurer's ...ands, belonging to the colony,	£105,704	15s. 3d.

... bond ... from Jonathan Sprague for defraying the charges about the ... Penalty £3,000.

... bonds from Edward Thurston, at £15 each, for interest money, £60. 1 bond from Samuel Bissel, for so much lent him, £200. 1 bond from Edward Greenman, payable in 1724, for £20. 3 bonds from Edward and Silas Greenman, for making good counterfeit bills.



THE AMOUNT OF BILLS BURNT THAT WERE EMITTED ON THE CREDIT OF THE COLONY.

Times when burnt.	Of the old impressions.		
In June, 1714,	£1102	8*s.*	6*d.*
June, 1717,	1718	0	9
June, 1718,	540	7	6
Sept. "	874	13	0
June, 1719,	1019	2	4½
June, 1720,	716	3	0
June, 1721,	149	13	6
June, 1722,	277	6	7½
Aug. "	191	8	1½
June, 1723,	422	14	6
June, 1724,	485	7	6
June, 1725,	322	11	9
June, 1726,	155	19	6
June, 1727,	1385	13	7½
June, 1728,	995	1	10
June, 1729,	508	17	9
June, 1730,	284	6	0
June, 1731,	143	0	9
June, 1732,	233	5	3
No. 1.	£11,499	1*s.*	10*d.*

THE AMOUNT OF BILLS BURNT THAT WERE EMITTED ON THE CREDIT OF THE COLONY.

Times when burnt.	Of the £5 and 40*s.* bills made for exchange.		
In June, 1727,	£12550	0*s.*	0*d.*
June, 1728,	8024	15	0
June, 1729,	3077	5	0

...SS MONEY.

...and 40s. bills made for exchange.

2314	5	0
2822	5	0
1594	10	0
... 2. £30,383	0s.	0d.

...RENT THAT WERE EMITTED ON THE ...THE COLONY.

Of all impressions together.

	£4	14s.	0d.
	132	8	9
	142	7	11½
	105	6	10
	174	13	3
	43	17	0
	219	17	7
	422	9	0
	547	6	10½
	438	18	7½
	1055	6	6
	1553	14	0
	950	13	9
	1009	14	7½
	1233	11	9
	553	10	10½
	3946	2	6
	1015	13	1
	3515	9	½
	4042	2	5

Times when burnt.	Of all impressions together.
June, 1738,	26269 15 10
Aug. 1739,	14077 9 2
	No. 3. £61,455 3*s.* 5*d.*

Voted and Resolved, that the aforewritten account of the state of the Colony be accepted, and that the Secretary enter the same upon Record.

Report of Committee, Feb. Session, 1749.

Whereas, this assembly, at their session in South Kingstown, on the last Wednesday of October last, appointed a committee to prepare an account (agreeable to the letter of the Duke of Bedford, one of his majesty's principal secretaries of state, to the Gov. & Co. of this colony,) of the tenor and amount of all the bills of credit which have been created and issued by this government, and are now outstanding, &c.—and the major part of the committee having assumed that province and perpetrated the business, made report to this assembly as followeth:

"The colony of Rhode Island, in the year 1728, emitted £40,000 in bills of public credit, equal then to £12,800 sterling, to be let on loan on land security of double the value, and at 5 per cent per annum interest for thirteen years. The interest was appropriated to the repairing and furnishing Fort George, the principal to be sunk by ten equal annual payments, two of which are yet outstanding, equal to £727 5*s.* 6*d.* sterling, and the sinking thereof will be completed in the year 1751.

And in the year 1731, the colony emitted £60,000 in bills of public credit, equal then to £16,841 17*s.* 4*d.* sterling,

to be let out on loan on security of double the value at 5 per cent per annum interest for ten years. The interest was appropriated to encourage raising hemp, flax, and the catching of fish and making oil by proper bounties given by the emitting act. The principal to be sunk by ten equal payments, two of which are yet outstanding, equal to £1090 18*s*. 3*d*. sterling, and the sinking of it will be finished in the year 1751.

And in the year 1733, the colony emitted £100,000 in bills of public credit, equal to £25,396 16*s*. sterling, to be let out on loan on land security of double the value and at 5 per cent per annum interest for ten years. The interest was to be appropriated to purchasing of cannon for Fort George and erecting a pier at Block Island. The principal to be sunk by ten equal annual payments, four of which are yet outstanding, equal to £3627 5*s*. 6*d*. sterling, and the sinking of this sum will be completed in the year 1753.

Again, in the year 1738, the colony emitted £100,000 in bills of public credit, equal then to £19,853 1*s*. 4*d*. sterling, to be let on loan on land security of double the value at 5 per cent per annum interest for ten years. The interest was appropriated to the building of a state-house for the colony and a light-house for the benefit of navigation. The principal to be sunk by ten equal annual payments, nine of which are yet outstanding, equal now to £8181 16*s*. 4*d*. sterling, and the sinking of this sum will be completed in the year 1758.

Again, in the year 1740, the colony emitted £20,000 in bills of a new tenor, equal to £80,000 of their former bills

and to £15,802 8*s.* sterling, to be let out on loan on land security of double the value on interest for ten years at 4 per cent per annum. The interest was appropriated to building a guard sloop for the colony and paying the colony's expenses in the expedition to the West Indies. The principal to be sunk by ten equal annual payments, the whole of which is now outstanding, and is now equal to £7272 14*s.* 6*d.* sterling. The sinking of this sum will be completed in the year 1760.

And lastly, in the year 1743, the colony emitted £40,000 of the new tenor bills, equal to £160,000 in bills of the old tenor and to £28,444 5*s.* 4*d.* sterling, to be let out on loan on land security of double the value, to pay interest ten years at 4 per cent per annum, which was appropriated to put the colony in a posture of defence during the war. The principal to be paid in ten equal annual payments, and the whole of this sum is now outstanding and is now equal to £14,545 8*s.* 1*d.* sterling, and the sinking of it will be completed in the year 1763.

At divers times from the year 1710 to the year 1747, the colony has emitted bills of public credit for the supply of the treasury to the amount of £312,300, old tenor, and there hath been called in and burnt at several times from the year 1728 to 1748, £176,964 6*s.* 10½*d*; and by the last settlement of the general treasurer's accounts it appears there was then in the public treasury £24891 10*s* 10*d.* From all which it appears that there is now outstanding of the bills issued to supply the treasury, £110-444 2*s.* 3½*d.* the whole of which outstanding sum was

issued in the years 1746 and 1747, and is equal to £1040 7*s.* 5*d.* sterling.

And the parliament having granted to this colony for their services in the Cape Breton expedition £6332 12*s.* 10*d.* sterling, and the colony having paid by order of the crown the wages of the officers and soldiers raised for the Canada expedition £3000 sterling, the said two sums being £9332 12*s.* 10*d.* sterling, are a fund for sinking so much of the colony's outstanding bills, and the remainder being £708 14*s.* 7*d.* sterling, is to be called in and sunk by a tax on the inhabitants of this colony.

The reason of the great depreciation observable in the bills issued by the colony, is, because the inhabitants of New England constantly consume a much greater quantity of British manufactures than their exports are able to pay for, which makes such a continual demand for gold, silver, and bills of exchange, to make remittances with, that the merchants to procure them are always bidding one upon another, and thereby daily sink the value of paper bills with which they purchase them. And it is plain that when the balance of trade is against any country, that such part of their medium of exchange as hath a universal currency will leave them, and such part of their medium as is confined to that country will sink in its value in proportion as the balance against them is to their trade. For what hath been the case with Rhode Island bills hath also been the common fate of all the paper bills issued by the other colonies in New England, they having been all emitted at near equal value, and have always passed at par one with an-

other, and consequently have equally sunk in their value: and this will always be the case with infant countries that do not raise so much as they consume, either to have no money, or if they have it, it must be worse than that of their richer neighbors, to compel it to stay with them."

Which report being duly considered, this assembly do vote and resolve, and it is hereby voted and resolved, that his honor, the governor, transmit the substance thereof under his hand to Mr. Agent Patridge, to be by him delivered to his grace, the duke of Bedford, one of his majesty's principal secretaries of state, in answer to his grace's letter to this colony about the bills of credit emitted here, &c., and also that a duplicate thereof be sent to the said agent for his own use.

And at the same time the committee aforesaid presented with their report what follows.

The Colony for all Money Emitted for Supply of the Treasury,

			DR.
1710, May,	to cash	emitted,	£ 5000
1710, October,	"	"	1000
1710, November,	"	"	1000
1711, June,	"	"	6000
1711, November,	"	"	300
1726, June,	"	"	46000
1728, June,	"	"	2000
1730, February,	"	"	1000
1733, July,	"	"	4000
1737, June,	"	"	30000
1738, May,	"	"	10000

1740,	September, to cash emitted,	£10000
1751,	May, " "	8000
1741,	October, to cash emitted,	8000
1744,	March, " "	10000
1745,	May, " "	15000
1745,	September, " "	20000
1746,	June, " "	45000
1746,	February, " "	60000
1747,	February, " "	30000
		£312,300

	For what has been Burnt,	CR.		
1727, June,	by cash burnt at several times before this date, as appears by a settlement of the general treasurer's account,	£12550	0*s.*	0*d.*
1728,	By cash burnt this year.	9019	16	10
1729,	" "	3604	7	9
1730,	" "	6430	10	7½
1731,	" "	1376	13	6
1732,	" "	2381	6	1½
1733,	" "	3946	2	9
1734,	" "	1015	13	1
1736,	" "	3525	9	0½
1737,	" "	4042	2	5
1738,	" "	26269	15	10
1739,	" "	14077	9	2
1748,	" "	88725	0	0
		£176,964	6	10½

Balance due from the colony, 135,335 13 1½

£312,300 00 0

We, the subscribers, being appointed a committee to enquire into the state of the bills of public credit that have at any time been emitted by the colony of Rhode Island, do report that the colony hath issued for the supply of the general treasury at the times noted on the debt side of the above account, £312,300, and that there hath been burnt at the times noted on the credit side of this account £176,-964 6*s.* 10½*d*, and that there is now circulating of bills of credit emitted by the colony for a supply of the treasury £135,335 13*s.* 1½*d.*

PETER BOURS,
STEPHEN HOPKINS,
DANIEL JENCKES,

Newport, Feb. 27, 1749.

And this assembly having taken the said report into consideration, do vote and resolve that the same be and it is hereby accepted.

List of Emissions in Massachusetts.

To show the bills which were in circulation in 1748, calculated in old tenor. [Douglas, 1. 526.]

1745, February,	£200,000	Provision was made in the acts of emission for cancelling a certain sum every year by rates, thus of the table here given £409,800 would be called in, in 1748, £540,000 in 1749, £140,000 in 1750,
" April,	200,000	
" July,	280,000	
" August,	280,000	
" December,	200,000	
1746, March,	80,000	

1746, June,	328,000	£135200 in each of the years
" July,	100,000	1751 and 1752, £140,000 in
" August,	80,000	each of the years 1753-4-5-
" September,	40,000	6, and so on.
" November,	80,800	
1747, February,	32,800	
" April,	80,000	
" June,	32,000	
" October,	139,000	
1748, February,	100,000	
" June,	400,000	

Table of comparative depreciation of colony currency bills of credit, 1748. [From Douglas, i, 494.]

For £100 sterling in exchange with London.	New-England,	£1100
	New-York,	190
	East Jersies,	190
	West Jersies,	180
	Pennsylvania,	180
	Maryland,	200
	Virginia,	120 to 125
	N. Carolina,	1000
	S. Carolina,	750
	Barbadoes,	130
	Antegoa,	170 to 180
	St. Christophers,	160
	Jamaica,	140

REPORT OF COMMITTEE, AUGUST SESSION, 1762.

Whereas his Honor the Deputy Governor, Edward Scott and George Hazard, Esq'rs., and Messrs. Walter Cranston and William Richardson, who were appointed a Committee to examine how much of all sorts of money hath been emitted upon the faith and credit of the Government, presented unto this Assembly the following state of that account, and report, viz:

The Colony of Rhode Island, &c. *Dr.*

For Bills of Credit emitted to supply the general treasury.

	To bills of credit outstanding			
1749-50.	the 27th of February, 1749,			
Feb. 27.	as by report then made to the	Old tenor.		
	General Assembly,	£135,335	13	1½
	CR.			
1751, June.	By bills of credit received for bills of exchange and burnt as per report made to the General Assembly, June 18, 1751,	24,280	2	0

The Colony of Rhode Island, *Cr.*

1751, June.	By do. part of the rate for £35,000 old tenor, ordered in October, 1754 and burnt as per report made to the General Assembly, dated Feb. 13, 1756,	13,792	0	0
	By do. part of the rate for £70,000 old tenor, ordered in			

	Oct. 1755, burnt as per report made in February, 1758,	£3,575	15	11
	Bills of credit yet outstanding, due from the Colony in old tenor bills,	93,687	15	2½
		£135,335	13	1½

DR.

		Old tenor.		
'55 March,	To Crown Point bills,	60,000	0	0
2mon June.	" "	40,000	0	0
Aug. 11.	" "	20,000	0	0
Sept, 8.	" "	60,000	0	0
Dec. 22.	" "	60,000	0	0
		£240,000	0	0

CR

1756, Aug.	By Crown Point bills burnt as per report made to the General Assembly,	18,208	0	0
November.	By ditto,	18,430	3	0
'57, March.	By ditto,	177,006	11	6
June 2.	By ditto per receipt given the late Treasurer,	11,400	7	0
'58, Feb.	By ditto per report made to the Assembly,	7,717	8	0
Sept. 15.	By ditto per receipt given to late Treasurer,	2,930	11	6
'59, June.	By ditto per report made to the Assembly,	1,181	15	6
'61, Feb.	By ditto as per Treasurer's accounts then audited,	760	9	6

May. 2.	By ditto per receipt given to William Richardson,	£42	17	0
		£237,678	3	0

The Colony of Rhode Island, *Dr.*

1756, last		Lawful money.		
Monday, Feb.	To lawful money bills ,	8,000	0	0
Aug. & Sep.	To ditto (the bills dated in August,) 1756,	6,000	0	0
		£140,000	0	0

1758.	CR.			
Feb. 14.	By lawful money burnt as per report made to the Assembly,	Lawful money. 4,000	0	0
Sept. 15.	By ditto emitted in February, 1756, as per receipt given to the late Treasurer, 3,764		19	8
'59, June.	By ditto in full for said money as per report made to the Assembly,	235	0	4
	By ditto, August, lawful money, per ditto,	5,605	19	0
'61, Feb. 9.	By ditto per receipt given to the late Treasurer,	312	0	3
May. 29,	By ditto per recipt given to William Richardson,	5	5	6
		£13,823	4	9
	Delivered to the present Treasurer, lawful money, in gold.	£76	15*s.*	4½*d.*

1758 Dr.

May 8	To lawful money bills carrying an interest of 5 per cent per annum.	£10,000	0	0
Last Wed in Oct	To ditto (the bills dated December 28, 1758.)	10,909	1	9
3d Feb '59	To ditto (the bills dated March 1, 1759.)	12,000	0	0
	To ditto (the bills dated April 1, 59)	4,000	0	0
June	To ditto,	4,000	0	0
3d Feb '60	To ditto (the bills dated March 10, 1760)	16,000	0	0
May	To ditto,	11,000	0	0
3d Feb	To ditto (the bills dated March 30, 1762)	5,000	8	6
	The Colony of Rhode Island,		*Dr.*	
March	To ditto (the bills dated April April 10 '62)	2,000	0	0
May 8	To ditto,	2,000	0	0
		£76,909	5	0

Cr.

Lawful money.

'62 May	By bills dated June 28, 1759, burnt as per report made to the Assembly,	3,686	10	0
	Ditto, dated May 8, 1758, burnt as per same report,	6,819	10	9
		£10,506	0	9

We, the subscribers, being appointed by the General Assembly a Committee to examine how much of all sorts of bills hath been emitted upon the faith and credit of the government, do report: That of the several emissions preceding the 27th day of February, 1749, there was outstanding at that time (as appears by a report then made to the General Assembly, a copy of which is herewith presented,) the sum of £135,335 13*s*. 1½*d*.

That it appears by a report made to the General Assembly in June, 1751, there was burnt of bills of credit received for bills of exchange sold, the sum of £24280 2*s* old tenor.

That in October, 1754, the General Assembly ordered a rate for £35,000 old tenor, £10,000 of which they appropriated for Fort George, and the remainder to sinking the Colony's outstanding bills of credit made to supply the Treasury; but there was only £13,792 applied to the sinking of the said bills. £11,208 collected by that rate was exchanged for Crown Point bills, which were burnt as appears by a report made to the Assembly in August, 1756.

In October, 1755, the General Assembly passed an act for a tax of £70,000 old tenor, and ordered that £40,000 thereof should be appropriated towards sinking the Colony's outstanding bills of credit, made and emitted to supply the General Treasury for defraying the charge of the then present expedition; and the remaining £30,000 towards sinking the outsanding bills of credit made and emitted to supply the Treasury for defraying the charge of former expeditions; but by an act passed in February

following, the whole of that tax or rate was appropriated towards sinking the bills emitted for carrying on the expedition against Crown Point.

In November, 1756, there was burnt in old tenor bills collected by the said tax, the sum of £52,271 17*s.* 5*d.*, of which there was in Crown Point Money £18,430 3*s.*; the remainder of the sum then burnt amounting to £33,841 14*s.* 5*d.*, was by order of the Assembly taken out of the Grand Committee's Office and placed in the General Treasury. However, it appears by a report made to the General Assembly in February, 1758, that there was burnt £3,575 15*s.* 11*d.* old tenor, part of this rate made in 1755.

The three sums placed on the credit side of the account amounting to £41,647 17*s.* 11*d.*, being deducted from the sum outstanding the 27th of February, 1749, there remains £93,687 15*s.* 2½*d* old tenor, which is now outstanding in old or rather new tenor bills emitted upon the faith and credit of the government.

There was emitted at the several times in the year 1755, noted on the debt side of the account, the sum of £240,000 old tenor, in bills called Crown Point Money, of which, as appears by the several reports made to the General Assembly, held at the times noted on the credit side, and by receipts given to the late General Treasurer, Thomas Richardson, Esq., and to his Executor, Mr. William Richardson, (copies of which receipts we herewith present,) there hath been burnt the sum of £237,678 3*s.* We think it proper to mention that the Crown Point Bills first placed in the account as burnt, were burnt at two several times; first, £7,000, and afterwards the £11,208

above mentioned; and that there was presented to the general assembly, held in September, 1757, a report dated May 27, 1757, in which the committee who made that report say they had received and burnt £11,053 1*s.* Crown Point money; but as we believe that sum was included in the receipt dated June 2d, 1757, we have not placed it in the account.

In the year 1756, there was emitted in bills called lawful money the sum of £14,000, whereof £8,000 was in bills dated in February, 1756, and £6,000 in bills dated in August, 1756. There was burnt of these lawful money bills the sum of £4,000, as appears by a report made to the general assembly, held the 14th of February, 1758, and the sum of £3,764 19*s.* 8*d.* in bills emitted in February, 1756, as appears by a receipt, a copy of which we herewith present, given to the beforementioned general treasurer: there was also burnt the sum of £235 0*s.* 4*d.*, lawful money, emitted in February, 1756, as appears by a report made to the general assembly, held in June, 1759, which the committee that burnt it say is in full for the said money. It is in full for £8,000, but through inadvertence the committee burnt some of the bills dated in August, instead of those dated in February — some of the latter being still extant. By the last mentioned report it appears that the committee had burnt £5,605 19*s.* August, lawful money, and by a receipt dated February 9, 1761, given to the aforesaid late general treasurer, it appears that the committee had received of him and burnt £312 0*s.* 3*d.* August, lawful money; and by another receipt dated May 29, 1761, given to Mr. William Richardson, (a copy of

both which receipts we herewith present,) it appears they had received of him and burnt £5 5*s.* 6*d.* of said lawful money. The three sums of money last mentioned, together with £76 15*s.* 4½*d.* lawful money in gold delivered by the said William Richardson to the present general treasurer, Joseph Clark, Esq., amount to £6,000 0*s.* 1½*d.*, and will, when the said gold is exchanged, complete the sinking of the whole £14,000 above mentioned.

In May, 1758, there was emitted £10,000 lawful money in bills carrying an interest of 5 per cent. per annum, and in pursuance of acts of assembly there have been several emissions since of the like sort of bills at the times noted on the debt side of the account, amounting, with the aforesaid emission in May, to the sum of £76,909 5*s.* 3*d.* lawful money; of which there hath been burnt £3,686 10*s.* in bills dated June 23, 1759, and £6,819 10*s.* 9*d.* in bills dated May 8, 1758, both sums exclusive of interest on the bills, as appears by a report made to the general assembly in May last past. The general treasurer hath informed us that he hath in his hands the sum of £62 4*s.* 6*d.* in May bills 1758, and the sum of £101 in June bills, 1759, and gold sufficient to redeem the remainder of the said June bills still outstanding. We submit this report to the hon. general assembly, and are their most humble servants.

JOHN GARDNER,
EDWARD SCOTT,
GEORGE HAZARD,
WALTER CRANSTON,
WM. RICHARDSON.

And the foregoing report being duly considered, it is

voted and resolved, that the same be and hereby is accepted.

From a report made August, 1762, it appears there was then due from the colony £43,749 16*s.* old tenor, upon bonds given for old tenor bills hired at 10 per cent; also, £5061 lawful money, hired at 7 per cent; also, $7,191. 50. The interest on the bonds is not included. There was then in the treasury £896 12*s.* lawful money, £1,953 0*s.* 3*d.* New York currency, £354 10*s.* in gold, £424 11*s.* 6*d.* in silver milled dollars, amounting to $\$1{,}061\frac{7}{8}$, and £1,173 18*s.* 9*d.* in New York paper bills. Part of the last tax had not then been paid in.

Report of Committee, October Session, 1764.

Whereas the committee, appointed to prepare a state of the paper currency of this colony, in answer to the requisition of the lords, commissioners for trade and the plantations, presented unto this assembly the following state of the same, viz:

A state of the paper bills of credit issued since the year 1749, by the colony of Rhode Island, drawn up in obedience to an order of the lords, commissioners of trade and plantations, dated at Whitehall the 11th of May, 1764.

In the month of March, 1750, there were issued by said colony £25,000 in bills, equal in value to about £18,750 sterling. These bills were let out upon loan for ten years at 5 per cent. interest, and then to be paid in at five equal annual payments, the whole of which sums is near expiring. These bills having depreciated are now of two fifths

of the value they were at when emitted. All the outstanding bills emitted before the year 1750, called old tenor, are drawing near their periods and will terminate in a short time.

In the year 1755, for paying the expense incurred by the colony in carrying on the expedition against Crown Point, there were issued bills equal to £13,500 sterling, to circulate two years without interest and then to be called in and sunk, which was preformed punctually within the time limited.

In the year 1756, for paying the expenses incurred by the colony in the second expedition against Crown Point, there were issued bills equal in value to £10,500 sterling, like those of the last year, to circulate two years without interest, and then to be called in and sunk, which was fully done within the time limited.

The war still continuing and the colony being called upon for larger quotas of men than it had hitherto raised, perceived that bills must of necessity be issued for a longer period than two years, otherwise it would be unable to preserve their credit by a punctual payment at the time promised. Accordingly, in the year 1758, the colony issued bills, agreeably as it supposed, to one of the provisos contained in the act of parliament, passed in the 24th year of the reign of his late majesty George 2d, entitled "An act to regulate and restrain paper bills of credit in his majesty's colonies or plantations, of Rhode Island and and Providence plantations, Connecticut, the Massachusetts Bay, and New Hampshire, in America, and to prevent the same being legal tenders in payment of money."

Which bills were to circulate five years and carry an interest of 5 per cent. per annum. £20,909 was this year issued agreeing in value to the proclamation of the tenth of queen Anne, and to £15,681 15*s*, sterling. These bills were wholly called in and burnt within the time. But as all the paper bills that have been emitted by the colony since the year 1758, have been in exact conformity in every respect to those emitted at that time, we here subjoin a copy of the act of assembly by which part of the said bills were created and issued, as a specimen of all the emitting acts since that time.

An Act for emitting, in Bills of Credit, a Sum not exceeding ten thousand Pounds Lawful Money.

Whereas the General Assembly of this colony, at their session in South Kingstown, on Monday, the 13th of March last, in obedience to his Majesty's commands, signified by one of his principal secretaries of state, passed "An act for raising and paying 1000 able-bodied, effective men, for the ensuing campaign against his Majesty's enemies in North America." And in order to supply the general treasury for carrying the intentions of the act aforesaid into execution, the assembly then directed the treasurer to hire as much money as would be needful for that purpose, but the treasurer having found it altogether impracticable to hire sufficient sums of money for the ends aforesaid, and it being of the utmost necessity and importance that the treasury should be sufficiently supplied on this extraordinary occasion:

Therefore, be it enacted by this general assembly, and by the authority of the same it is enacted, That bills of

credit be forthwith impressed from types and signed by the persons hereinafter named, to a value not exceeding £10,000 lawful money, esteeming silver at and after the rate of 6*s.* 9*d.* per ounce, and gold at its proportionate value; that the said bills shall carry an interest of 5 per cent per annum to the possessor, and shall pass with the interest added to them in all payments in which those bills are a lawful tender. The bills so emitted shall be of the denomination of 30*s.*, 20*s.*, 10*s.*, 5*s.*, 2*s.*, 1*s.*, and of 6*d*, and an equal number of bills shall be made of each denomination and the bills shall be of the following form:

"The possessor of this bill shall be paid by the treasurer of the colony of Rhode Island thirty shillings lawful money, at the rate of six shillings and nine pence for one ounce of silver, with interest at 5 per cent per annum, within five years from the date hereof. By order of assembly, the 8th day of May, 1758."

And those bills, as soon as made, shall be put into the general treasury for the use and purposes above mentioned, and shall be received from thence for paying the expenses of the present or any other expedition, at the value aforesaid; and that one milled dollar shall, at all times hereafter, be taken in lieu of six shillings of those bills; and the bills so to be made shall be caused to be printed with such devices on the backs and borders as shall be thought fit, and signed and put into the treasury by Jabez Bowen, Jeremiah Lippit, Joshua Babcock, Benjamin Nichols, and Joseph Clarke, Esq'rs, or any three of them.

And for the calling in and redeeming the bills to be

emitted in consequence of this act, be it futher enacted, That a rate or rates be assessed on the inhabitants of this colony in such time that it may be collected and brought into the treasury in due season to redeem the whole of the said bills, together with the interest arising upon the same, within five years from the day of their dates; and that the whole of the rate or rates to be made for that purpose shall be made in the same bills now ordered to be emitted, or in silver at the rate of 6*s.* 9*d.* for every ounce, or in gold at a proportionable value, or in milled dollars at the rate aforesaid: and the gold and silver by those means drawn into the treasury, shall be immediately applied to redeem the outstanding bills to be by this act emitted."

In the year 1759, for defraying the expense of the men raised for his majesty's service in the same year, the colony issued £20,000 in bills of the same tenor and of equal value with those emitted the year before; and these bills have been wholly called in and burnt.

In the year 1760, for the same purpose, the colony issued £27,000 in bills in the same manner. These bills are redeemable within the next year from this time and provision is already made for bringing in £10,000 thereof, including interest, but the colony is not able to sink the remainder by the time it ought to be sunk, any otherwise than by taking up money upon loan for redeeming the bills.

Lastly: in the year 1762, for the carrying on the war, the colony issued £13,000 in bills in the same manner, which will be redeemable in the year 1767.

The whole of the bills emitted on this plan have at al

times fully kept their value, their only defect seeming to be that they carry too high an interest, which occasions their being hoarded, and thereby not answering the end of a medium.

By this state it appears that there are now circulating in this colony in bills issued for carrying on the war £40,000, equal to £30,000 sterling, about two-thirds of which sum must be called in and sunk in a year, after which £13,000 only of the bills issued for the expense of the war will be circulating; these, together with the small remainder of old tenor bills that will be outstanding, will come to a final end in the year 1767.

Besides the bills emitted as aforesaid, this colony is largely in debt for money hired of private persons during the course of the war; and this debt is the greater because it has received nothing for its expenses incurred in support of the war in the year 1756, which was reimbursed the other colonies by parliament.

In a colony where the constant demand for remittances to the mother country makes it impossible for silver and gold to continue, what will be the medium and instrument of commerce where paper bills are at an end, we know not.

This is a true state of the paper bills of credit in the colony of Rhode Island, and is humbly submitted to your lordship's consideration by the governor and company thereof.

Rhode Island, Oct. 30, 1764.

And the foregoing state of the paper bills of this colony being duly considered, it is voted and resolved, that the

same be and hereby is approved, and that his honor, the governor, be requested to sign and transmit two copies of the same to the lords commissioners for trade and the plantations, by the first opportunities.

It would seem that a petition had been sent to England to endeavor to get the charter recalled. The assembly request their agent to procure and send them a copy of it and the names of the signers.

Table of Depreciation of Colony Currency in New England.

	Exchange with London in old tenor.	1 oz. Mexico silver.
*1702,[1]	£133	6*s.*, 10½*d.*
*1705,	135	7*s.*
1711,[2]	140	
*1713,[3]	150	8*s.*
*1716,	175	9*s.*, 3*d.*
*1717,	225	12*s.*, 0*d.*
*1722,	270	14*s.*, 0*d.*
*1728,	340	18*s.*
*1730,	380	20*s.*
*1737,	500	26*s.*
1739,[4]		27*s.*
1740,[5]	525	

[1] Those marked with a * are from a table in the work of Dr. Douglas, i, 494.

[2] Fixed at 140 by Mass. legislature. Douglas, i, 310.

[3] Very little specie left in the country. — *Hutchinson.*

[4] Fixed at 27*s.* old tenor by act of emission of R. I.

[5] Anderson, quoted by Gouge.

	Old Emission.		New Emission.	
	Dollars,	90ths.	Dollars,	90ths.
1780,	82,908,320	47	891,236	80
1781,	11,408,095	00	1,179,249	00
	$357,476,541	45	$2,070,485	80

The first emission was dated May 10, 1775, but were not in circulation until some time afterwards. The first nine millions passed at par. They afterwards depreciated greatly. The bills ceased to circulate as money on May 31, 1781, but were afterwards bought up on speculation at from 400 to 1000 for one.

The depreciation in Philadelphia seems to have kept ahead of the rate in the other states. Thus, December 25, 1779, the exchange was thirty-five for one in New England and New York and forty for one in Pennsylvania and Virginia. The rates in Virginia followed close on to the rates of Philadelphia. The money circulated readily even when the exchange was two hundred for one.

Webster estimates the whole circulation of the thirteen states, just before the revolution, at $12,000,000, or perhaps not more than 10,000,000 hard dollars actual value, of which at least two-fifths in all the states was specie.—*Am. Almanac*, 1830. *Peletiah Webster's Essays*, 1790. *Gouge, p.* 25.

The following table exhibits the rate of depreciation of Continental money. The rate at Philadelphia is taken from Mr. Gouge's work.

		Specie value in Philadelphia.	Legal scale in Rhode Island.
1777,	Jan.,	125	105
	Feb.,	150	107
	March,	200	109
	April,	250	112
	May,	250	115
	June,	250	120
	July,	300	125
	Aug.,	300	150
	Sept.,	300	175
	Oct.,	300	275
	Nov.,	300	300
	Dec.,	400	310
1778,	Jan.,	400	325
	Feb.,	500	350
	March,	500	370
	April,	600	400
	May,	500	400
	June,	400	400
	July,	400	425
	Aug.,	500	450
	Sept.,	500	475
	Oct.,	500	500
	Nov.,	600	545
	Dec.,	600	634
1779,	Jan.,	700, 900	742

		Specie value in Philadelphia.	Legal scale in Rhode Island.
1779,	Feb.,	1,000	868
	March,	1,000, 1,100	1,000
	April,	1,250, 2,200	1,104
	May,	2,200, 2,400	1,215
	June,	2,200, 2,000, 1,800	1,342
	July,	1,800, 1,900, 2,000	1,400
	Aug.,	2,000	1,630
	Sept.,	2,000, 2,800	1,800
	Oct.,	3,000	2,030
	Nov.,	3,200, 4,500	2,308
	Dec.,	4,500, 3,800	2,593
1780,	Jan.,	4,000, 4,500	2,934
	Feb.,	4,500, 5,500	3,322
	March,	6,000, 6,500	3,736
	April,	6,000	4,000
	May,	6,000	6,200
	June,	6,000	6,800
	July,	6,000, 6,500	
	Aug.,	6,500, 7,500	7,000
	Sept.,	7,500	7,100
	Oct.,	7,500, 8,000	7,200
	Nov.,	8,000, 10,000	7,300
	Dec.,	10,000	
1781,	Jan.,	10,000	
	Feb.,	10,000, 12,000	
	March,	12,000, 13,500	
	April,	13,500, 20,000	7,600
	May,	20,000, 50,000	May 15, 8,000
	May 30,		16,000

Value of Trade between Great Britain and New England.

	Imports to Great Britain.	Exports from Great Britain.
1701,	£32,656 7*s.* 2*d.*	£86,322 13*s.* 11¼*d.*
1710,	£31,112 17*s.* 7½*d.*	£106,338 6*s.* 4*d.*
1720,	49,206 12 6	128,767 2 11
1730,	54,701 5 10	208,196 5 5
1740,	72,389 16 2	171,081 2 5
1750,	48,455 9 0	343,659 6 8
1760,	37,802 13 1	599,647 14 8
1770,	148,011 14 9	394,451 7 5
1773,	124,624 19 6	526,055 15 10

Value of trade between Great Britain and the colonies of Carolina, Georgia, New England, New York, Pennsylvania, Virginia and Maryland.

	Imports to Great Britain.	Exports from Great Britain.
1701,	£309,136	£343,828
1710,	246,816	293,662
1720,	468,190	319,705
1730,	662,586	536,862
1740,	718,418	813,384
1750,	804,770	1,313,076
1760,	761,101	2,611,766
1770,	1,015,538	3,725,575
1773,	1,369,232	1,979,416

Am. Almanac, 1830.



NOTE TO PAGE 104.

In addition to the circumstance here noticed, that the old bills of credit depended only upon the good faith of the government, while the bills of the present incorporated banks are bottomed upon actual property, and payment, if refused, can be compelled by process of law, it should be considered that the bills of credit were made a legal tender, in most cases, in payment of debts, while no one is obliged to take the bills which are now issued, and their circulation is a matter of convenience and choice. The superior safety of the modern system is apparent at once.

REPORT

ON THE

RHODE ISLAND REVOLUTIONARY DEBT.

To the honorable general assembly of the state of Rhode Island and Providence plantations, at their January session, to be holden in Providence in the year of our Lord one thousand eight hundred and forty seven.

The undersigned, commissioners appointed at the January session of the general assembly, A. D. 1846, "to inquire into and report upon the history and character of the registered state debt of this state, and to report the substance of all the past acts and proceedings of the general assembly upon the subject of said debt, and all other information which may be obtained relative to said debt, to the end that it may be ascertained whether this state is legally or equitably bound to pay said debt or not," would respectfully submit the accompanying report:

The claims in question have grown out of the great expenditures which this state, from its exposed situation, was obliged to make in the war of the revolution.

The following report of a committee of the assembly made at October session, A. D. 1783, shows the amount of the state debt at that time to have been £123,829 15*s.* 11*d.*, besides about £20,000 outstanding of this state's portion of Continental money; and it also shows in what manner a great part of it originated.

STATE DEBT,

As near as a Committee could ascertain it, October, 1783.

R. I. College				£1345	11*s.* 3*d.*
S. Ayrault				502	1 1
E. Richardson				664	14 3
Heirs of D. & E. Lawton				815	15 5
F. Brinley				1100	0 0
J. M. Nichols				52	7 0
A. Barker				125	9 2
A. Waterman				15	8 11
B. Slack				12	15 5
23 notes issued by order of assembly 1782 and 1783				1370	4 0
81 notes issued to soldiers 1782 and 1783,				3942	14 11
178 notes to officers and soldiers				6456	6 7
Creditors of forfeited estates				1991	17 11
Lawful money bills of June, 1780, outstanding				3676	2 5
Interest on do				691	12 0
£40,000 of six per cent notes, of which £3,950 has been received for taxes, leaves	£38,815	0	0		
5 per cent depreciation	1,940	15	0		
	36,874	5	0		
Interest	9,411	5	5		
				46,285	10 5
£50,000 of 4 per cent notes issued, part received for taxes outstanding	£42,812	8	0		
Deduct 12 per cent	5,177	8	0		
Carried forward,	37,635	0	0		

Brought forward,.....	37,635	0	0		
Interest.....	9,731	10	5		
				47,366	10 5
Of 107 certificates of C. Holdens, £16,260 12*s.* 2*d.*, there is outstanding.....				5,054	14 7
Due Col. Olney on two orders on the Treasury.....				5,350	0 0
				£123,829	15 11
Outstanding of this state's proportion of the new Continental money.....				19,922	2 0

March, 1787, the following report was presented to the assembly, showing the amount of the state debt at that time to be £153,047 15*s.* 7*d.*, and specifying the various objects for which the notes were given.

MARCH, 1787. The following report was presented unto this assembly, to wit:

"Whereas the subscribers were, by the honorable general assembly of said state at their session held at Providence in October last, appointed a committee to inquire into the state of the debts due from this state, to all persons whosoever, and in what manner and for what consideration the same originated, and to report the facts and the remedies proper to be applied to the evils that might be investigated, if any, to the next session of assembly: Therefore, having met at Newport and inspected into the amount of the debts due from this state to all persons whosoever, and also how the same originated, and having investigated some evils, do report: That there hath been issued by the general treasurer,

1180 notes for consolidated state money..	£13,901	10*s.*	3*d.*
124 notes under special acts.....	14,092	13	11
137 notes to 3 years' soldiers for depreciation	5,870	6	0
82 notes for C. Holden's certificates and funded money.....	6,077	3	6
341 notes to the soldiers of the R. I. Regiment.....	11,190	0	10
566 notes to redeem the six per cent notes, which notes have undergone the operation of the scale,.....	50,665	3	1
82 notes to creditors of absentees' estates	5,179	13	6
	£106,976	11	1
	46,071	4	6
	£153,047	15	7

Upon the notes which were issued for the redemption of the six per cent notes, we beg leave to observe, that although they were not made a tender in law, yet they were issued in the time of the late war, and were, when issued, as we apprehend, worth no more than paper money, which did depreciate, and large sums perished in the hands of the possessors; and we are of opinion that it is a hard lot for the greater part of the inhabitants to suffer the whole loss on their part, and be obliged to make good the depreciation to others, when the whole originated from one common cause in which all were embarked.

And that, on the twenty-fourth day of March, Anno Domini one thousand seven hundred and eighty-two, two thousand four hundred and sixteen notes were issued by

the general treasurer, amounting to forty-six thousand and seventy-one pounds four shillings and six pence, for the redemption of four per cent notes, which were issued by an act of the general assembly in February and March, Anno Domini one thousand seven hundred and seventy-seven, and made a lawful tender in the same manner as the state's money, and were, in fact, of no more value than the same amount in the continental currency; but notwithstanding which, these notes were consolidated by the scale of depreciation, back to the time they were finished issuing, it being the twenty-fourth day of March, Anno Domini one thousand seven hundred and seventy-seven, when, in our opinion, they ought to have been reduced by the scale of depreciation, at the time the continental bills ceased to be a currency, for the following obvious reasons, to wit:

These notes were originally received out of the general treasury, the same as Continental bills, and passed the same as such bills, exclusive of the interest; therefore it is our opinion, that the notes which were issued by the general treasurer in lieu of the four per cent notes, ought to be reduced to the depreciated state of forty shillings of said notes to be only equal to one shilling.

All which is submitted to the honorable general assembly by their humble servants.

OLIVER DURFEE,
JOHN SAYLES,
JONATHAN J. HAZARD,
THOMAS JOSLIN,
Committee.

Upon which the following vote passed, to wit:

In the lower house, March sixteenth, one thousand seven hundred and eighty-seven: *Resolved*, that the foregoing report be received, and the consideration thereof referred to the next session of assembly, and that the secretary send a printed copy thereof to each town clerk within this state, as soon as may be after the rising of this assembly, to be by them communicated to the freemen of the respective towns, at the annual town meeting in April next, in order that instructions may be given to the deputies of the several towns by the freemen thereof respecting the same — which instructions are to be presented by the same deputies to the assembly at the next session on the record day thereof.

In the upper house, read March seventeenth, and concurred, with this addition — *That whereas*, some of the holders of the four per cent notes became possessed of the same by delivering to the state or individuals the full value of the same notes as they were when issued, and it would be manifest injustice to deprive them of what is justly their due, therefore, that a committee of three good, judicious, disinterested persons be appointed, that all the holders of said notes may make it appear before them when and how they became possessed of such notes, and at what rate or value they received the same, which proof to be made by some evidence other than their own oath; and that the said committee reduce them to such value as they were when the holders became possessed of the same by consolidating them to the value which the holders received them at, and affixing the value on the

back of each note, which shall be a rule for the general treasurer to discharge the same by.

In the lower house, read the same day and concurred:

By acts passed at June, 1783, Oct. 1783, Feb. and March, 1788, May and October, 1788, and March, 1789, provision was made for paying the whole of the then state debt in the paper money then circulating, and made by law a legal tender; and all those who should refuse to take payment within a prescribed time were to forfeit all claim to payment.

Of the whole amount of the state debt, £152,717, it appears that about £78,897 was brought in and paid in this manner, being a little more than half.

In order fully to understand the question, it is necessary now to consider the several acts passed by congress, after the adoption of the United States constitution, for providing for certain portions of the revolutionary debts and expenses.

By act of congress of August 4, 1790, the following provision was made for the domestic debt of the United States. All claims against the United States of the following descriptions were to be brought in and subscribed to a loan to the United States, and United States stock issued therefor, viz:

Certificates issued by the register of the treasury.

Certificates issued by commissioners of loans in the several states, including certain certificates given to take up continental money.

Certificates issued by the commissioners for settling the

accounts of the quartermaster, commissary, hospital, clothing and marine departments.

Certificates issued by commissioners for adjusting accounts in the several states.

Certificates issued by the late and present paymaster general and commissioner of army accounts.

Indents of interest.

Bills of credit issued by the United States at the rate of one hundred dollars in bills for one in specie.

Under this act a commissioner was appointed in each state to receive the certificates aforesaid, to liquidate and ascertain their specie value, and to issue certificates of United States stock in lieu thereof. And it appears that claims of citizens of Rhode Island, to the amount of $598,990.98, were subscribed to this loan, and allowed by the general government up to the date of September 30, 1791.

By the same act of August 4, 1790, congress agreed to assume $21,500,000 of the debts of the several states. The sum of $200,000 was assumed for Rhode Island, to be received in certificates for debt issued by the state prior to January 1st, 1790. And by the terms of the act no state certificates were to be received which had been issued for any other purpose, except expenditures for services and supplies in carrying on the war or defence of the country. And the amount assumed for each state was to be charged back in settlement of the accounts of the general government and the states. Under this provision it appears that $344,259.49 were offered to be subscribed in evidence of Rhode Island state debt, and of course, by the

terms of the act, the $200,000 was apportioned among them.

By acts of October, 1786, and May, 1787, provision had been made by the congress of the confederation, for liquidating and settling the accounts of the several states against the Union.

After the adoption of the United States constitution, congress by act of August 5, 1790, made further provision for the settlement of these balances; commissioners were appointed to liquidate, at their specie value, on principles of equity, all payments between congress and the states. But no claim was to be admitted in the account of any state against the United States, unless the same had been allowed by the state prior to September 24, 1788.

The balances in favor of, or against the several states, were to be ascertained in the following manner. The commissioners were to debit each state with all advances made to it by the Union, and to credit the states with their disbursements for general or particular defence, and advances made by them to the Union. The balance was then struck, and the aggregate of the balances apportioned among all the states according to the rule prescribed by the constitution for regulating representation, and the difference between this apportionment and the former balances, was carried to the debit or credit of each state, as the case might be.

In this manner was it ascertained whether any state had paid more than her proportion of the whole expenses of the war.

Upon these principles the sum of $199,611 was found



due to Rhode Island, and the stock of the United States issued to this state to that amount.

It appears also that on settlement, balances were found due from the states of New York, Pennsylvania, Delaware, Maryland, Virginia and North Carolina, to the amount of $3,517,584, which sums, it is believed, have never been paid to the general government up to this day, although congress, by act of Febuary 15, 1799, proposed very favorable terms to them for the settlement of the same.

The following table exhibits the plan upon which these accounts were settled, and the balance found due to or from each state:

ABSTRACT of the balances due to and from the Several States, on the Adjustment of their Accounts with the United States, by the General Board of Commissioners appointed for that purpose, under the several Acts of Congress, for the Final Settlement of the State Accounts, per their Report of the 27th June, 1793.

States	Sums allowed to the credit of the several States, with interest to the 1st January, 1790.	Advances made by the United States to the several States, together with the assumption of the State debts and interest to the 1st January, 1790.	Balance due to the Several States.	Population of the United States answering to the rule prescribed in the Constitution of the United States.	Proportion of the Several States of $77,666,678, the aggregate amount of the balances.	Sums due to Creditor States.	Sums due by Debtor States.	Proportion of the Several States' debts authorized to be funded by the 13th section of the act 4th August, 1790.	Amount of debt funded by Each State under the said section.
New Hampshire,	$4,278,015 02	$1,082,594 02	$3,198,061	$141,722	$3,120,006	(c) $75,055		$300,000	$282,595 51
Massachusetts,	17,964,613 03	6,258,880 03	11,705,733	475,327	10,456,932	(c) 1,248,801		4,000,000	3,981,733 05
Rhode Island,	3,782,974 46	1,977,608 46	1,805,366	68,446	1,505,755	(c) 299,611		200,000	200,000 00
Connecticut,	9,285,737 92	3,456,244 92	5,829,493	236,841	5,210,372	(c) 619,121		1,600,000	1,600,000 00
New York,	7,179,982 78	1,960,031 78	5,219,951	331,590	7,294,797		$2,074,846	1,200,000	1,183,716 69
New Jersey,	5,342,770 52	1,343,321 52	3,999,449	179,569	3,950,419	(c) 49,030		800,000	695,202 70
Pennsylvania,	14,137,076 22	4,690,686 22	9,446,390	432,879	9,523,099		76,709	2,200,000	777,983 48
Delaware,	739,319 98	229,898 98	609,421	55,540	1,221,849		612,428	200,000	59,262 65
Maryland,	7,568,145 38	1,591,631 38	5,975,514	278,514	6,127,154		151,640	800,000	517,491 08
Virginia,	19,085,981 51	3,803,416 51	15,282,565	699,265	15,383,444		100,879	3,500,000	2,934,443 29
North Carolina,	10,427,586 13	3,151,358 13	7,276,228	353,523	7,777,310		501,082	2,400,000	1,793,803 85
South Carolina,	11,523,299	5,780,264 29	5,743,035	206,235	4,537,057	(c) 1,205,978		4,000,000	3,999,650 73
Georgia,	2,993,800	1,415,328 86	1,578,472	70,842	1,558,484	(c) 19,988		3,000,000	246,030 73
	$114,409,303 10	$36,742,625 10	$77,666,678	$3,530,393	$77,666,678	$3,517,584	$3,517,584	$21,500,000	$10,271,814 74

TREASURY DEPARTMENT, Register's Office, February 9, 1831.

T. L. SMITH, Treasurer.

We now return to the history of the legislation of this state respecting the claims against it.

By the provisions of the act of congress assuming $200,000 of the debt of this state, those holders of the state debt who had refused to come in and receive their payment, were placed in a more favorable situation than those who had brought them in and received payment in a depreciated paper money, as the former were now enabled to subscribe them to the United States loan.

The history of these proceedings will be made plainer when we recollect that about this time the division of political parties was into a paper money party, who were opposed to the adoption of the United States Constitution by this state, and to the funding system, and the opposite party opposed to issues of paper money by the state, and in favor of the Constitution of the United States.

In order to relieve as much as possible those who had so far complied with previous acts as to come in and take payment in paper, and to place them (so far as the legislature could) upon equal terms, they passed the following act for reviving all state securities which had been declared forfeited, and for reissuing all those which had been paid in paper money, scaling down the payments in paper to their specie value.

JUNE SESSION, 1791.

An act relative to certain Securities heretofore granted by this State, and for repealing certain Acts of the Legislature of this State hereinafter mentioned.

Whereas, during the war between the United States of

America and the kingdom of Great Britain, this state, from its imminently exposed situation and its great exertions in support of the war for the common defence, in raising and keeping up its quota of troops in the federal army, and from the long continued depredations of the enemy (a powerful army of whom were nearly three years in possession of the Capitol and of the whole island of Rhode Island, during which time they overrun and burnt several of our towns,) was subjected to the unavoidable necessity of incurring great and heavy charges, whereby the debt of the state was greatly accumulated, insomuch that after the close of the war it became impracticable for the state, in the then scarcity of specie, to discharge the same in the usual mode by taxes in specie.

And whereas, to facilitate the payment and discharge of the said securities paper bills of credit were issued, pursuant to an act of the legislature of said state, passed at their session in May, A. D. 1786, which the holders and proprietors of the said securities were required to receive from time to time in payment and discharge thereof, on the penalty of forfeiting the same — and many of the said holders and owners of the said securities in compliance with the said several acts of the legislature before mentioned, received the said paper bills of credit for their said securities or part thereof, when the same had greatly depreciated, which were endorsed on many of the said securities at different times, in quarterly payments of the nominal amount of the said securities, some having received the whole nominal amount in the said bills of credit, while others not complying with the requisitions of the

said acts, did not receive any part of their said securities in the said bills of credit: And whereas, at the second session of the congress of the United States, begun and held at the city of New York, on Monday the fourth day of January, A. D. 1790, by an act passed on the fourth day of August in the same year, entitled "An act making provision for the debts of the United States, " it was provided that certain description of the debts of the several states therein mentioned, within the *purview* and meaning whereof are the greatest part of the before mentioned securities required to be discharged by the said paper bill of credit of this state as aforesaid, and the sum of two hundred thousand specie dollars was by said act of congress assumed to be paid by the United States as part of the debt of this state, required by the act of the legislature of this state to be paid by the said paper money bills as aforesaid, which said bills having gradually depreciated, to the discount of fifteen for one, compared with gold and silver coin, at which rate they are finally to be discharged, agreeably to an act passed by the legislature of this state in October, in the year of our Lord 1789,so that without the interposition of this general assembly, very great and manifest injustice will be done to those who received the said paper money bills in a state greatly depreciated for their said securities; therefore, that equal justice may be done, as well to those who received the said paper money bills for their securities respectively as before mentioned, agreeably to the requisitions of the laws of this state, as to those who did not comply with the said requisitions.

Be it Enacted by this General Assembly, and by the Authority thereof it is hereby Enacted:

That all the acts, laws and resolutions of the legislature of this state, passed at different times between the first day of September, A. D. 1786 and the first day of January, A. D. 1790, requiring the holders and owners of the said securities to bring them into the general treasury, and to receive the said bills of credit in payment and discharge of the said securities so far as the said several acts, laws and resolutions declare and enact that the said securities should become null and void and of no effect, in case the same should not be brought into the general treasury, and the said bills received in discharge thereof, within certain limited periods, be and the same are hereby repealed:

Provided, nevertheless, and the aforesaid acts, laws and resolutions, declaring said securities to be null and void and of no effect, *are repealed on this express condition*, that this state *shall not in any case or event whatever, be held or obliged to pay on any of the said securities, either the principal or interest thereof*, on any other terms than those which are proposed to subscribers to the loan of state securities, agreeably to the act of congress passed in August, 1790, entitled "An act making provision for the debt of the United States."

And by other sections, the general treasurer was ordered to redeliver out of the treasury all the state securities which had been paid in paper money, first ascertaining the actual specie value of the payments which had been made in paper, and endorsing it thereon.

But it seems that the United States commissioners refused to receive these redelivered notes in subscription to the United States loan.

The following extracts from a message from Governor Arthur Fenner to the general assembly, at October session, A. D. 1791, confirm the view we have before given of these measures.

"These considerations, gentlemen, will, therefore, sufficiently apologize, if apology is necessary, for my soliciting your attention to the peculiar situation of the public debt of this state — a matter highly interesting to our constituents. This debt was wholly incurred during the late war with Great Britain, in the common defence of the nation. After peace took place it was found, by experience, impracticable to discharge it in the ordinary mode of taxes, in gold and silver; recourse was had to paper money; this was issued in the year 1786. The holders of the state securities were required to receive it on penalty of forfeiting the whole amount of their respective demands. Owing to the unhappy division that prevailed it suffered an unusual depreciation; but payments in the paper bills were made to nearly the amount of seventy-nine thousand pounds, and securities to the amount of about forty-eight thousand pounds were lodged in the general treasury in consequence of the requisitions of the legislature for bringing them in for the paper money. The specie value of the payments thus made in the paper money was only about one sixth part, or perhaps less, of the nominal value, from the great depreciation of the paper money, and its circulation in different states of depreciation; but finally,

at the rate of about fifteen for one, it became indispensably necessary for the legislature to interpose; and, as an appreciation of the money to par in the hands of those who had received it in the greatly depreciated state, would have been productive of as much, or perhaps more, injustice than its depreciation, if it had been possible to have accomplished it, the legislature had no recourse, no measure they could adopt but to arrest it as it was; to repeal the tender, and declare that it should finally be redeemed at the rate of fifteen for one, and an act for this purpose was passed in October, 1789. In August, last year, the national legislature assumed twenty-one millions five hundred thousand dollars of the debt of the several states, including in the assumption two hundred thousand dollars of the debt of this state; and as the sum assumed is charged by the United States to the state from which it is assumed, if the legislature had not interposed, those who did not comply with the requisitions for receiving the paper money would have received the whole benefit of this assumption, and a realization of the greatest part of their securities, while those who did comply would not only lose above five-sixths of their demands, but must have contributed their full proportion to the paying the whole amount of the securities which had been confiscated as before mentioned. For the relief, therefore, of this numerous class of our fellow-citizens, and in order that equal justice might be done, an act was passed at the last session directing the general treasurer to ascertain the real specie value of the payments made by the state in paper money, by a scale of depreciation, and to endorse the amount

on the securities which had been lodged with him, and, on application, to deliver them to the proprietor in full expectation that those would have been assumable equally with those on which no part had been paid, or those on which only partial payments were made in the paper money.

"But the commissioner of the loan office in this state having refused to receive them in payment of the subscription to the loan of two hundred thousand dollars, offered by congress to those holding the securities of this state; and, as there is a large surplusage of the securities against this state, even of those which were admitted as receivable, more than the amount of the sum already assumed by congress.

"It is, therefore, necessary that proper measures should be devised, adopted and pursued for doing equal justice and making satisfaction to those holding securities against this state. And, as the United States have already assumed twenty-one millions five hundred thousand dollars of the debts of the respective states, which must now be discharged by the nation at large, and as the proportion of this state of the sum assumed as aforesaid, reckoning the state at only a fiftieth part of the confederacy, at which it has been usually estimated, would have been four hundred and thirty thousand dollars; and as more than the whole of this last mentioned sum is due from this state to individuals, for their service and expenditures in the late war, and as congress possess the principal source of the revenue of this state, from which they draw a much larger proportion of the national revenue than a fiftieth part of the whole amount; and as the people of this state, from

their great and unremitted exertions in the war, ought to share an equal proportion of the blessings to be derived from our national independence, which they cannot do if left to struggle under the burthen of great debts, incurred in consequence of the war for general defence; and as it will be extremely distressing to the good people of this state, if not even impracticable for the making provision for paying that part of the state debt still unassumed without having recourse to impost and excise, difficult perhaps to arrange without interfering with those already laid by congress, I take the liberty to submit to the consideration of the two houses of the legislature the propriety of the general assembly's laying before congress a memorial representing the great injustice done to this state in the apportionment of the sum already assumed from the several states, and the peculiar hardship of our being left incumbered with a debt incurred for the common benefit of the nation, whilst the other states have many of them been entirely relieved from their state debt by the assumption; and some of them not only relieved but furnished with the means of drawing large sums of money from the national revenue for their own peculiar benefit.

"But, in order to enable congress to do justice to the state, it is necessary that they should be informed of the amount and peculiar situation of the debt of this state; and there are stronger reasons for an assumption of the remainder of all the debts of the states respectively incurred by the late war than for what has already been assumed, because some states are placed thereby in very eligible circumstances, whilst others are left in distress

from the burthen of a debt resting upon them, when their resources, from imposts and excises, are occupied by the general government."

The governor's message was referred to a committee, upon whose report the following memorial to congress was adopted by the assembly:

To the Senate and Representatives of the United States in Congress assembled.

The legislature of the state of Rhode Island and Providence plantations, respectfully solicit the attention of the legislature of the United States:

The state, for whose particular welfare we are chosen to provide, was, from its local situation, peculiarly exposed during the late war to the incursions and depredations of the enemy, from the want of an efficient national government at that time, and the command of national resources — those attacks of the enemy were necessarily left to be repelled chiefly by the military operations carried on under the direction and at the expense, in the first instance, of the state.

By reason hereof, this state incurred a much larger debt than perhaps any of her sister states, in proportion to her estimated rate in the valuation of the United States.

The demands of these creditors are, in fact, demands against the United States, for whose use and on whose credit ultimately the supplies were advanced. The states were, however, at that time, in full possession of all the resources of revenue, since surrendered into the hands of the nation. At the time of yielding up those resources,

the good people of this state were led to believe that they did not part with them as means of extinguishing their debts, but only put them into the hands of the nation for the common and equal benefit of all its creditors.

When the measure of assuming the states debts was agitated in congress, relief was expected from the very unequal distribution of the public revenues among the public creditors, which would have been the result of making prompt payment of interest to some, and leaving others to look up to states, exhausted by the war and divested by a voluntary surrendering of their most productive resources; but when, in the result of that measure, the assumption from the different states was so disproportionate to the demands of their actual circumstances, the minds of the people were led to hope that the wisdom and justice of the nation would speedily induce a further deliberation on the same subject.

To discriminate among creditors whose demands are equally founded on supplies rendered or services done for the common defence and general welfare of the United States, may have been necessary as a temporary measure of accommodation; but, so far as we have been able to view this subject, no substantial reason hath been discovered against adopting every practicable measure to circulate the justice of the nation commensurately with its protection and the allegiance of the citizens.

Notwithstanding the relief of this state by the late assumption of two hundred thousand dollars, there yet remains demands against the state in the hands of individuals, chargeable to the United States, of.....for the pay-

ment of which, the United States have not made, nor is this state able to make, any adequate provision.

After having made this representation in behalf of this state and the creditors of the public who look up to us for their payment in the first instance, we shall seem to have discharged the duty we owed to our constituents, and shall wait the result of your deliberation on this subject, with unshaken confidence in the wisdom and integrity of the councils of the United States

At January session, A. D. 1795, the treasurer reported to the legislature that he had received from the United States certificates of funded stock for the balance due this state and the interest thereon, viz:

Stock with 6 per cent interest from Jan. 1, 1795,	$199,740 67
do do Jan. 1, 1801,	99,870 33
	$299,611 00
do with 3 per cent interest from Jan. 1, 1795,	59,922 20
	$359,533 20
The treasurer also held other United States stock to amount of	$35,451 98

At the same session, an act was passed for transferring this stock to the creditors of the state, and ordering notes given for the balance not so paid.

By this act the following descriptions of state debt were to be brought in within 6 months from February, 10, viz:

Notes issued to officers and soldiers for depreciation of pay.

Notes issued to take up the paper money of 1775 and 1776.

Notes issued to call in and sink any of the last named notes.

Notes issued to call in and sink the four per cent notes.

Notes issued to take up certificates given by C. Holden, commissary of purchases.

Notes for paper money sunk, and money hired before the revolution.

Notes issued to creditors of absentees, whose estates were forfeited.

Notes given to take up the paper money of June, A. D. 1780.

Certificates for balances due on the debt assumed by the United States.

Teaming certificates.

Interest certificates on loan office certificates, and liquidated debt.

Interest certificates on Mr. Chinn's final settlement certificates.

Impost orders for interest on state debt.

Invalid certificates.

The sum of $420,000 in United States stock was to be apportioned among those who bought in their claims, and notes given for the balance at four per cent. The principles on which interest was to be calculated were fixed by the act.

By act of May, 1795, the following sorts of claims against the state were allowed to be brought in in addition to those before named:

Notes given for stock driven from Rhode Island when the British took it.

Notes given for boats, &c., lost in public service.

Notes given for slaves who enlisted.

Certificates given to troops who served under Capt. H. Dayton.

Certificates given for troops who served in the militia.

At the February session, A. D. 1797, the general treasurer made his report as follows, upon the subject of the transfer of this stock.

In obedience to two acts of the general assembly, one passed at the session held in January, A. D. 1795, and the other at the session held in June, A. D. 1795, making provision for the transfer of the stock of the United States belonging to this state to the individual creditors thereof, the general treasurer respectfully offers to the legislature the following report, to wit:

544 abstracts issued, composing the following kinds of state debt, in which is included the amount reported at last June session.

316	impost certificates, amounting, with interest, to		$7,746 64
490	interest certificates on loan office certificates,	do.....	11,400 30
202	certificates issued by John Brown, commissioner of loans,	do.....	14,735 85
155	teaming certificates,	do.....	9,821 30
12	Invalid certificates,	do.....	716 93
10	certificates for military service,	do.....	186 94
7	card notes,	do.....	790 42
114	notes issued previous to the late glorious revolution,	do.....	11,495 99

17	notes for boats and scows, amounting, with interest, to		$938 67
24	notes given for stock driven from Rhode Island,	do.....	
84	notes for payment of debts due to the creditors of absentees whose estates were confiscated,	do.....	38,676 29
63	notes for commissary of purchases certificates and, June, 1780, money funded on real estate,	do.....	10,753 84
339	notes for pay and depreciation of pay of the late continental army,	do.....	54,875 02
1494	notes for sinking 4 per cent notes,	do.....	110,555 26
632	notes for consolidating paper money,	do.....	31,080 35
293	notes for consolidating securities issued for paper money,	do.....	63,277 61
			$503,494 66

Disposition of the above debt of $503,490 75: 5ths issuable in certificates for funded stock of Jabez Bowen, Commissioner of loans, amounting to		$419,662 30
1-6th	issuable in state certificates unprovided for,	83,932 46
		$503,594 76

According to the act and to this report, the amount of $419,662.30 was paid by a transfer of United States stock,

and for the remainder notes were given according to the following form prescribed in the act, specifying that it was a balance not provided for by the transfer.

"No. —. *State of Rhode Island and Providence Plantations.*
GENERAL TREASURER'S OFFICE, ... 1795.

I hereby certify that there is due to of or bearer, from the state of Rhode Island, ... dollars cents, being a balance not provided for by the transfer of the funded and deferred stock of the United States belonging to this state, agreeably to an act made and passed by the general assembly of this state at their January session, A. D. 1795, which certificates, by order of the said assembly, are to carry an interest of four per cent from the first day of January, 1795, until paid.

(Signed,) —— ——, *General Treasurer.*

By the act of June, 1797, two years interest was paid on all the foregoing notes, and on all issued under that act in certificates which were made receivable for taxes.

By the acts of June and December, 1797, and October, 1798, and February, 1802, holders of state securites who had neglected to bring them in within the time limited by the act of January, 1795, were allowed to bring them in and receive state notes for them.

Under these various acts for bringing in and renewing the old notes, it appears, by a report made in February, 1803, the debt then amounted to

446 certificates under act of January, 1795, being for the balance not paid by transfer of United States stock, (4 p. c.).....	$83,892 93

267 certificates under act of June, 1797, (4 p. c.) and two special acts,.....	$41,941 34
41 certificates under act of February, 1802,	5,749 37
	$131,583 64
Interest,.....	31,580 07
	$163,163 71

At June session, 1806, by the report, the two first items of the debt remain the same. There are 49 certificates issued under the act of February, 1802, and eight special acts, amounting to $9,989 53

And the principal of the whole is	135,823 80
Purchased under two appropriations,	48,179 57
Then due of principal,	$87,644 23

By various acts of the general assembly, from 1803 to 1820, sums of money were placed in the hands of commissioners to purchase up these old claims, and large amounts of them have been purchased in this way. The following table will exhibit the sums paid at the different times, with the amount of the face or principal of the claims purchased, and the rate per cent upon the face of them, at which they were purchased.

Appropriations made.	Report made.	Amount paid.	Purchas'd of face.	Rate of purchase.
February, 1803.	Oct., 1803.	$26,123 89	$34,831 98	75 cents on 100 of principal.
June, 1804.	Oct., 1804.	10,001 09	13,347 59	about 75 cents on 100 of principal.
February, 1807.	Jun., 1807.	7,996 05	10,680 14	about 75 cents on 100 of principal.
October, 1810.	Jun., 1811.	9,905 62	15,555 58	about 63 cents on 100 of principal.
June, 1820.	Oct., 1820.	9,961 89	17,210 23	average 57¾ cts. on 100 of principal.
June, 1820.	Purchas'd of Eph. Hart.		3,127 69	66 cents of 100 of principal.
			$94,753 21	

The amount of these evidences of the revolutionary debt now outstanding, the committee believe to be about $44,000 as near as they can ascertain.

The committee have had several meetings, and have heard all the arguments urged for and against the claims held by the petitioners.

On the part of the holders, it is argued that they hold the notes of the state issued under acts of the legislature, which contain no proviso or condition whatever, and that the state has at several different times (as before mentioned) and without regard to party, recognized their validity by providing for the payment of two years' interest on them all, and for the purchase of the principal, of portions of them, and that the notes themselves were issued after the settlement with the United States.

And they further contend, that the proviso to the act of 1790 means no more than this, that the state should not be held liable to pay them on any other terms than those proposed by congress to the creditors of the United States, viz. at the same rate per dollar.

On the other side, it is urged that they have once been paid — that although paid in a depreciated currency, they have been as well treated as any previous creditors of this state or any other state, who held any of these revolutionary claims — that no one of the states of the Union (as is believed) ever paid its revolutionary debt in full — that the general government of the United States did not do it, and that this state in the appropriations they have made, have purchased them up either as claims of doubtful value, rather than paid them as an acknowledged debt.

And further, that they originated in a time of high prices, caused by a very depreciated paper currency, and therefore, if paid at all, should be scaled down to some equitable proportion; and that if these claims should be paid in full, justice would require that the legislature should make up the full amount to those who have heretofore taken less than the principal of their notes.

And it is further represented by the opponents of the claims, that they are claims of revolutionary origin; that by the act of June, 1791, by which they were revived, they were declared to be revived for the express purpose of being assumed by the United States government, and it was especially declared that the state should not be liable for them in any other manner, as the general government had already assumed a portion of the state debts, and would probably assume and pay the remainder, and especially as this state claimed that a fair proportion of her debt had not been assumed by the act of congress of 1790.



NOTES.

The sums in this report expressed in pounds, are to be changed into dollars, at the rate of 6*s.* to one dollar, or $3.33 to the pound.

As the balance due from the United States was allowed to the state *as a* state, and not to individuals, when received it was divided among all the creditors of the state without reference to the origin of their claims.

It may be observed that the proviso in the act of June, 1791, is contained only in the section which applies to the forfeited notes. Whether there was any particular meaning in this, cannot now be ascertained. It may have been the result of carelessness in the drawer of the act. It was anciently the practice for the assembly to vote the substance of a law, and it was afterwards drawn out into shape by the secretary.



HISTORICAL SKETCH

OF THE

Bills of Credit issued by Virginia.

BY

HENRY PHILLIPS, Jr.

VIRGINIA PAPER MONEY.

Before the old French war, no bills of credit existed in Virginia, while coin itself, from the frequent occurrence of laws relating to it, would seem to have been of sufficient abundance for the ordinary purposes of trade. An accurate writer[1] has been betrayed into the assertion that before the Revolution no paper money had been issued by this colony.

The earlier currency had consisted in traffic by barter of commodities, wampum and wampumpeage, tobacco and tobacco notes, as well as specie. No great amount of *money* is necessary in a newly settled country, but the inhabitants must have some medium of exchange. The usual conditions of a dependant colonial existence will carry over to the mother state the circulating cash, and will leave the colony thus much denuded and thrown on its own resources.

With nothing except the bills of credit is it the intention of the present sketch to be concerned.

When General Braddock arrived in America, he acquainted Governor Dinwiddie with the pleasure of the king that the several assemblies should raise proportionate sums of money towards his projected expedition. Certain of the colonies complied and furnished their quotas, although we are informed "that the greatest part of the expense was compulsorily borne by Great Britain."[2]

[1] Wm. M. Gouge in his *Essay on Banking*, &c.

[2] Sargent's *Braddock Expedition*, p. 54.

In May 1755, "to protect his majesty's subjects from the insults and encroachments of the French" *John Robinson*, Esq., the treasurer of the colony, was directed to issue treasury notes which should bear interest at five per cent, be redeemed by the last day of June, 1756, and should not exceed the sum of *twenty thousand pounds:* the notes were declared to be a lawful tender in the payment of all debts, and the penalty of death, a provision which is contained in the enactment of all their subsequent paper issues, was to be inflicted on those who should counterfeit or alter the notes. All the minor details of form, numbers, amounts, denominations and signers, were left to the discretion of the treasurer.

This money was intended for and applied to the purchase of stores, equipments, provisions, &c., and, for the payment of the troops engaged in the unfortunate enterprise against Fort Duquesne.[1]

Emboldened by the ill success of this attempt, the hostile Indians proved of greater annoyance than ever to the colony, and to discharge the bounties offered by the government to those who should kill or capture any of them, a further issue was made in August of *forty thousand pounds.* The same discretion as to details as in the former act was left to the treasurer, with the single exception that three persons were specially appointed to sign and number the bills, whose time of redemption was fixed for the last day of June, 1760.

[1] Pennsylvania contributed £5000
N. Carolina " 8000
S. Carolina " 5714 5*s.* 8¾*d.*
Maryland " 6000 —Sargents' *Braddock Expedition.*

Doubtless, the addition of sixty thousand pounds in six months to the circulating medium of the colony must have quickly been attended with apparent good results: this appears from a letter of Governor Dinwiddie to the Earl of Halifax, dated November, 1755, wherein he says: "Our assembly met on the 29th ult. They fell into cabals, and wanted to emit twenty thousand pounds for a loan office to be discharged in eight years, which I thought to be contrary to act of parliament and to my instructions. *I adjourned them.*"[1] This method, copied probably after the example of their royal masters in England, with refractory parliaments, was one of the simple, easy and expeditious remedies made use of to convince the inhabitants of the various colonies of the inexpediency and impropriety of their demands; but, unfortunately for the governors, and even for the crown itself, not always the most efficacious plan.

After another issue of paper money, it was manifested that it was prejudicial to use a medium which bore interest, as by that means notes of different values, though nominally of the same, were in simultaneous circulation. Accordingly, in April 1757, it was ordered that the bills issued under the last two acts, should have their term of currency shortened to the last day of December, 1759, and in their stead, the treasurer was directed to emit eighty thousand pounds in notes of specified amounts, the act for the first time giving full particulars and details. Alternates were also permitted to be appointed by the treasurer in case of the absence or death of those designated by the

[1] *Washington's Letters.* Edit. Sparks.

act to be the signers of the bills, due public notice of such alteration having been given three weeks previously by advertisement in the Virginia Gazette.

On the persons who should exhibit any foolish preference for gold or silver over these paper promises to pay, or who should refuse to sell their goods for the notes at their nominal value, a penalty of twenty per cent additional to the value of the commodities is inflicted by the act. Towards a draft of the militia, which was at the same time ordered, the overplus of the amount now authorized was to be applied, as well as to their organization, support and pay. Soon afterwards,[1] the forces in the service of the colony were increased to two thousand men, and for their support, and also to defray the expense of the bounty of *thirty pounds* offered by the legislature for *every Indian scalp*, a new issue of thirty-two thousand pounds took place, redeemable by the first day of March, 1767. During the next three years the border warfare drove the legislature at various times to the creation of the enormous paper debt of *one hundred and seventy-one thousand pounds.*

The notes in circulation in the colony had different periods of redemption, from which inconveniences were found to flow. In November, 1761, an act was passed to enhance and more effectually secure the credit of the paper money; it designated the 20th day of October, 1769, for the payment of all the treasury notes then outstanding, and appointed a committee to investigate and to report semi-annually, the amount of the notes destroyed by them in pursuance of the provisions of this law.

[1] March, 1758.

Paper money continued to be manufactured by the legislature, and before 1773 seventy thousand pounds additional were issued, the only noticeable fact connected with their creation being the emission of the year 1771, for the purpose of reimbursing sufferers by a severe flood which had devastated many of the public tobacco warehouses.

The notes of Virginia received no more mercy from counterfeiters than did those of the other colonies. The continual threat of death directed against such felons in every new act did not intimidate them. A still more stringent law, passed in 1769, had no effect, as may be seen from the *Pennsylvania Gazette* of February 17th, 1773, which contains the following information:

"WILLIAMSBURG, February 4.

"We hear his Excellency the Governor has directed Expresses to be sent to the several Members of his Majesty's Council, requiring their Attendance next Saturday at the Council Chamber, in order, it is generally believed, to consult with that honourable Board upon the Expediency of calling together the General Assembly, that they may have an Opportunity of taking under their immediate Consideration the present alarming State of our Paper Currency; both of the late Emissions having lately been discovered to be very ingeniously counterfeited, and it is thought have circulated for a considerable Time past, highly injurous to the Trade and Interest of the Country, and of every Individual. Upon their Meeting, there is little Doubt but some effectual Method will be fallen upon to restore the public Credit, as well as to dis-

cover, and bring to condign Punishment, those who have been instrumental in giving it so severe a Shock.

"The Mercantile Body, we are well assured, have it much at Heart to contribute every Thing in their Power for the public Interest, and will use their best Endeavours in discovering the Circulators of this baneful Traffic."

And that of March 10th, 1773, the following:

"WILLIAMSBURG, February 25.

"On Tuesday last Captain John Lightfoot arrived in Town from Pittsylvania, having executed the Commission he lately went upon to that County, by Instructions from the Governor, in apprehending and bringing down, under a strong Guard, Benjamin Cooke, Joseph Cooke, James Cooke, Benjamin Woodward, and Peter Medley, informed against by one John Short, formerly an under Sheriff there, who had been concerned with them in counterfeiting and passing the Treasury Notes of this Colony, as also in making and circulating several false Coins, particularly Dollars, Pistoles, and Half Pistoles. They were taken about two o'Clock in the Afternoon, at Work in their Shop, with all their Tools for Engraving, Frames for making Paper, a Rolling Press, Dies for Dollars and Half Pistoles, besides a large Quantity of counterfeit Five Pound Bills, and a Plate for the Forty Shilling Bills. Upon their Arrival they were immediately carried to the Place, and examined by the Honourable Peyton Randolph, Esquire, in Presence of his Excellency the Governor, the Attorney General, and other Gentlemen, who thought proper to order them all to be committed to the public Goal, except James Cooke, nothing criminal appearing against him; and next

Tuesday they will be carried down to York, for a further Examination.

"We hear of several others being committed to different County Goals, upon Suspicion of being concerned in the same Crime; and Gideon Rucker, and Shem Cooke, of Pittsylvania, and John Hightower, and William Hightower, of Lunenburg, are fled, for the apprehending of whom the Governor has been pleased to issue his Proclamation, offering a Reward of Fifty Pounds for each.

"It is hoped that a Nest of the same pernicious Crew to Society, in the Province of North-Carolina, are by this Time apprehended, an Express having been sent to the Governor there, acquainting him of sundry Persons informed against; and thus a Stop be put to the Schemes and Machinations of a Gang of Villains, who would aggrandise themselves upon the Ruins of the Public"

A special session of the assembly was called for the purpose of taking measures for preserving the credit of the colony bills and for calling in those which had been most counterfeited. The treasurer was directed[1] to redeem the notes of the last two issues with power, if he found himself unable to borrow the money for that purpose, to issue new notes not to exceed thirty-six thousand three hundred and eighty-four pounds. Notes which had been mutilated or defaced were not to be thus redeemed. The new emission was to bear impressed on the back such devices as the treasurer should deem most likely to secure them from counterfeiting or alteration. Hitherto

[1]March, 1773

no protection had been extended to the notes of the other British colonies in North America which had circulated, although not a tender, by common consent: they had therefore been counterfeited in security. The penal provisions of the law which protected the issues of Virginia were now extended to those foreign ones.

The notes now issued were to be redeemed on the tenth day of December, 1775, but when this day arrived the colony was in no condition to effect it.

The times were becoming unsettled. The distant thunders of the approaching turmoil were drawing nearer and nearer; soon the storm to burst in all its violence on the unprotected colonies. "Virginia," says our great historian, "was totally unprepared for war. The late expeditions against the Shawanese Indians had left a debt of £150,000; its currency was of paper, and it had no efficient system of revenue."

Marching in the ranks with the other colonies, Virginia called a provincial convention: its first care was to provide money for the troops about to be raised for the defence of the colony. This was done by an issue of three hundred and fifty thousand pounds in bills of credit, to be redeemed by the first day of January, 1784, which were of the following form:

"(Denomination.) (No.)

(———) Current money of Virginia, pursuant to ordinance of convention, passed July 17, 1775."

Further sums being needed, in the subsequent May it was resolved, upon the petition of freeholders praying for an increase of currency, to issue one hundred thousand

pounds, which large sum was in October increased to five hundred thousand pounds.

It soon became evident to congress and to the legislature, that a further increase of the already immense sums of paper money was not desirable; in May, 1777, a United States loan office was established in the state in order, through voluntary contributions, to redeem the amount of bills of credit in circulation and to raise the alloted quota of one million of dollars. At the same time the United States notes, as well as those of the state itself, were made a legal tender at the value expressed on their face, and heavy penalties were denounced on those who should discredit them or exhibit any doubt as to their security of ultimate redemption.

Private individuals appear about this time to have emulated the government in issuing likewise their bills of credit, which the legislature now prohibited under penalty of forfeiture of ten times the amount of such notes, alleging that they uselessly swelled the volume—though *torrent* would have been the better word—of money then in circulation[1].

The assembly did not, however, apply this lesson to their own case, for during one short year thereafter, they issued *four millions of dollars* in paper promises to pay. A small portion of this sum (viz: $600,000) was applied to the relief of sufferers in the town of Norfolk, who had incurred losses through the visit of Governor Dunmore, accompanied by the British fleet.

In October, 1778, an act was passed purporting to be

[1] October, 1777.

for the more effectually guarding of the bills of credit, treasury notes and loan office certificates, against counterfeiting, "which alarming evil daily increases, and is become so enormous that the most fatal consequences are justly to be apprehended." To remedy this calamity, the English panacea of *death*, which by an earlier[1] law of the state had previously been denounced, was to be applied, but the results do not appear to have been such as the sanguine (or sanguinary) framers of the act believed they had reason to expect, the remedy not acting more satisfactorily in *Virginia* than it did in the other colonies or in Great Britain itself.

During the ensuing years[2] the theatre of war shifted to the southern states, and Virginia felt the power of the invaders. Men and money were constantly needed by her; these she supplied by liberal bounties, drafts of the militia, and excessive issues of treasury notes to meet the exigencies of the situation. Taxes were laid, payable in money, tobacco, hemp, or flour, while the provisions, clothing, horses and wagons necessary for the army, were procured by assessments upon the militia divisions, or by forcible impressment. Paper money rapidly fell in value, so that the salaries of the governmental, but *not* the *army*, officers were to be estimated and paid to them in *tobacco*, at values to be fixed from time to time by the grand juries at their various sessions. The pay of the *army* was settled by a depreciation scale prepared and adopted by the assembly.

[1] June, 1776.

[2] 1779, 1780, 1781.

After more paper money, more counterfeiting and more depreciation, the scales fell at last from before the eyes of the rulers, and the laws were repealed which had been enacted against those who asked for a commodity a higher price in bills of credit than in coin. The continental money, unchecked and uncheckable, rapidly hastening to destruction, continued daily to lessen in value, although the attention of Congress, often directed to it, endeavored in vain by futile expedients to ward off the impending ruin. In March, 1780, a new issue of notes was resolved upon, and all the states were called upon to accept its provisions and to furnish their quotas. Virginia accordingly ordered the issue of the sum designated for its share, viz: $666,666⅔; it does not appear, however, that the whole amount was emitted. All the old state and continental bills outstanding were directed to be called in and redeemed in the notes of the new emission, at the rate of forty dollars of the old money for one of the new, and at this rate they were declared to be a legal tender for all purposes and payments, and to remain current until the thirty-first day of December, 1786, when they were to be paid together with the accrued interest. They were afterward made a legal tender, and protected from counterfeiters by the usual penalty. From *eighteen* to *twenty-seven millions of pounds*, a sum much larger than the whole circulating cash of the colonies at the outbreak of the revolution, were soon issued in three instalments. It was now directed[1] that the notes which returned into the treasury should be burnt, except the two issues of

[1] March, 1781.

the last session, hoping by this means somewhat to reduce the flood of paper.

In May, the paper money was declared no longer to be a legal tender, except for debts due to the State and for taxes, which at a later period was limited to those presented by the first day of October, 1782; the holder who had not presented his bills of credit for payment before that time, forfeited forever his interest in them and his right of redemption. The time of presentation was subsequently by several enactments extended to October, 1785.

Loan office certificates were also to be redeemed from their owners at the rate of one thousand for one, and to be paid for in new certificates to mature on the first day of December, 1790.

The following scale of depreciation was adopted:

	1777.	1778.	1779.	1780.	1781.
January,	1½	4	8	42	75
February,	1½	5	10	45	80
March,	2	5	10	50	90
April,	2½	5	16	60	100
May,	2½	5	20	60	150
June,	2½	5	20	65	250
July,	3	5	21	65	400
August,	3	5	22	70	500
September,	3	5	24	72	600
October,	3	5	28	73	700
November,	3	6	36	74	800
December,	4	6	40	75	1,000

Such was the end of the paper currency issued by Virginia. After the close of the war, when commerce settled itself down once more in its accustomed channels, the public voice, already forgetful of the past, began to demand an increase of currency and creation of more paper money. The following extract from an observant French author, although written relative to another state which suffered similarly about the same time, will convey an accurate impression of the condition of society at that period.[1] "This State is ravaged by a political scourge more terrible than either (mosquitoes or fever); it is called paper money. * * * It gives birth to an infamous kind of traffic, that of buying and selling it by deceiving the ignorant; a commerce which discourages industry, corrupts the morals, and is a great detriment to the public. * * * Patriotism is consequently at an end, cultivation languishes, and commerce declines." The insane desires of the inhabitants of Virginia were not in this instance gratified. General Washington, in a letter to the President of Congress, dated at Mount Vernon, August 22d, 1785,[2] speaks of the project of a further creation of paper money by the state, in these words: "I never have heard, and I hope I never shall hear, any serious mention of a paper emission in this state, yet such a thing may be in agitation. Ignorance and design are productive of much mischief. * * * Those with whom I have conversed on the subject in this part of the state repudiate the idea exceedingly." When such

[1] Warville's *Travels in the U. S.* London 1792.

[2] *Washington's Letters.* (Edit. Sparks) vol. ix., p. 120.

men as George Washington, George Mason[1] and Richard Henry Lee[2] threw their influence into the scale against a measure of this nature, it may well be supposed that the proposed creation of paper money never more took place.

[1] *Washington's Letters.* (Edit. Sparks) vol. ix., p. 120. [2] *Ib.*

APPENDIX.

A.

A species of paper currency existed in Virginia of too remarkable a nature to be passed over with the mere mention, although it does not strictly belong to the subject of the bills of credit.

Its nature and objects will be best illustrated in the ensuing extracts from the works of those who beheld its full operations.

Marquis Chastelleux[1] says: "The tobacco warehouses, of which there are numbers in Virginia, are under the direction of public authority. There are inspectors nominated to prove the quality of the tobacco brought by the planters, and if found good, they give a receipt for the quantity. The tobacco may then be considered as sold, those authentic receipts circulating as ready money in the country. For example: suppose I have deposited twenty hogsheads of tobacco at Petersburg, I may go fifty leagues thence to Alexandria or Fredricksburg and buy horses, clothes, or any other article with those receipts, which circulate through a number of hands before they reach the merchant who purchases the tobacco for exportation." It will be seen, therefore, that these certificates were representatives of intrinsic value,[2] and not designed to act as

[1] *Travels in North America.* Dublin 1789, vol. ii., p. 131.

[2] *Warville's Travels* also refer to this currency.

currency, nevertheless, having an absolute basis of redemption, became the safest circulating medium, and one which, there is reason to believe, continued from an early period almost to the present century.

B.

Catalogue of the Bills of Credit issued by Virginia.

1755, May. £20,000. No particulars specified in the act.
" Aug. 40,000. " " "
To be signed by John Chiswell, John Robinson and Peyton Randolph.

1756, March. £25,000. No particulars specified.
To be signed by John Robinson, Peyton Randolph and Robert Carter Nicholas.

1759, April. £80,000. (Date of note June 8.)
6,000 each of £5, 3, 2.
To be signed by Peyton Randolph and Robert Carter Nicholas.
30,000 each of 20*s.*, 10*s.*
To be signed by Benjamin Waller and Philip Johnson.
30,000 each of 5*s*, 2*s.* 6*d.*
To be signed by John Randolph.
33,000 each of 1*s.* 3*d.*, 1*s.*
To be signed by Edmund Pendleton.

1758, March. £32,000. No particulars specified.
To be signed by Peyton Randolph and Robert Carter Nicholas.

1758, Sept. £57,000.
2,250 each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter Nicholas.

15,000 each of 20*s.*, 10*s.*

To be signed by Benjamin Waller and Philip Johnson.

25,000 each of 5*s.*, 2*s.* 6*d.*

To be signed by John Randolph.

20,000 each of 1*s.* 3*d.*

To be signed by Edmund Pendleton.

1759, Feb. £52,000. (Date of note March 5.)

2,000 notes each of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter Nicholas.

15,000 each of 20*s.*, 10*s.*

To be signed by Benjamin Waller and Philip Johnson.

20,000 each of 5*s.*, 2*s.* 6*d.*

To be signed by John Randolph.

17,778 each of 1*s.* 3*d.*

17,777 each of 1*s.*

To be signed by George Braxton.

1759, Nov. £5,000. No particulars given.

To be signed by Peyton Randolph and Robert Carter Nicholas.

1760, March. £20,000.

1,800 notes of £5, 3, 2.

To be signed by Peyton Randolph and Robert Carter Nicholas.

5,333 each of 20*s.*, 5*s.*

5,334 each of 2*s.* 6*d.*

To be signed by John Randolph.

1760, May. £32,000.
1,700 each of £5, 3, 2.
To be signed by Peyton Randolph and Robert Carter Nicholas.
7,000 each of 20*s*., 10*s*.
To be signed by Benjamin Waller and Philip Johnson.
7,000 each 5*s*., 2*s*. 6*d*.
To be signed by John Randolph.
16,664, each of 1*s*. 3*d*.
16,663, each of 1*s*.
To be signed by George Braxton.
1762, March. £30,000.
2,000 each of £5, 3, 2.
To be signed by Peyton Randolph and Robert Carter Nicholas.
5,000 each of 20*s*., 10*s*.
To be signed by Benjamin Waller and Philip Johnson
6,700 each of 5*s*.
6,600 each of 2*s*. 6*d*.
To be signed by John Randolph.
1769, Nov. £10,000. No particulars specified.
To be signed by Peyton Randolph and John Blair. jr.,
1771, July. £30,000. No particulars given.
Same signers.
1773, March. (Date of note March 1st.) £36,384.
No particulars are given. Same signers.
(An issue dated April 1st, 1773, exists, (£1, 3, 5, 8, 12,) for which no law can be found.)
1775, July. (Date of note July 17,) £350,000.

50,000 notes of 2*s.* 6*d.*
To be signed by Henry King.
50,000 notes of 1*s.* 3*d.*
To be signed by John Pendleton, Jr.[1]
The residue to consist in notes of.
20*s.*, 2*l.* 3*l.*
To be signed by Philip Johnson and Benjamin Tazewell.
12*s.* 6*d.*, 10*s.*, 5*s.*
To be signed by Josiah Parker and Joseph Lyne.

1776, May. (Dated May 6.) £100,000.
1,000 notes each of £4. 3*l.* 2*l.* 20*s.*
10,000 notes, each of 12*s.* 6*d.*, 10*s.*, 7*s.* 6*d.*, 5*s.*
To be signed by Richard Morris and George Seaton.
13,333 notes, each of 2*s.* 6*d.*
To be signed by John H. Norton.
13,334, each of 1*s.* 3*d.*
To be signed by John Dixon.
The residue to consist in *dollars* or *parts of a dollar:* all of two *dollars* and *upwards* to be signed by *Richard Morris* and *George Seaton:* the rest by *John Carter Littlepage.* ($4. $5 known to exist.)

1776, July. £100,000. (Resolution Provincial Convention.) Same denominations and signers as last issue.
October. (Date Oct. 7th.) £400,000. No denominations, &c., given. ($\frac{1}{6}$, $\frac{1}{3}$, $\frac{2}{3}$, 1, 4, 5, 6, 8, 10, 15, *known to exist.*)

1777, May. (Dated May 7th.) $1,000,000. No denomination, &c., given. $\frac{1}{6}$, $\frac{1}{3}$, 1, 6, 8, 10 *known to exist.*
Oct. (Dated October 20th.) $1,700,000. No denom-

[1] A bill of 1*s.* 3*d.* exists, signed by Edmund Randolph, who was afterwards Attorney General of the United States under General Washington.
[2] A note of Oct. 1777 is in existence, signed by B. Dicksing and I. Rhea.

ination, &c., given.[1] To be signed by George Webb. ($\frac{1}{6}$, $\frac{1}{3}$, $\frac{2}{3}$, 1, 4, 5, 6, 8, 10, *known to exist.*

1778, May. $6,000,000. (Dated May 4.) No denominations, &c., given. ($\frac{1}{6}$, $\frac{1}{4}$, $\frac{1}{3}$, $\frac{2}{3}$, 1, 3, 4, 5, 6, 7, 8, 10, 15, *known to exist.*)

1778, Oct. 5th. $1,700,000. No denominations, &c., given. ($\frac{1}{3}$, 3, 7, 10 *known to exist.*)

1779, May. 3. £1,000,000. No denominations, &c., given. ($3, 7, 9, 15, 100 *known to exist.*)

1780, May 1. $666,666⅔. (Resolution of Congress March 18, 1780.) $1, 2, 3, 4, 5, 7, 8, 20. To be countersigned for the *United States* by Charles Henning and Forster Webb. State signers not given.

July 14. £2,000,000. No denomination, &c., given. (3\frac{1}{3}$, 6$\frac{2}{3}$, 10, 13$\frac{1}{3}$, 15, 20, 35, 45, 55, 60, 80, 100, 200, 300, 400, 500, *known to exist.*)

1780, Oct. 16. £6,000,000 to £10,000,000. No particulars given. ($50, 100, 200, 300, 400, 500, *known to exist.*)

1781, March 1st. £10,000,000 to £15,000,000. No particulars given. ($20, 50, 80, 100, 150, 200, 500, 1000, *known to exist.*)

May 7th. £20,000,000. No particulars given. ($10, 15, 25, 30, 35, 40, 50, 70, 75, 100, 200, 250, 500, 1,000 1,200, 1,250, 1,500, 2,000 *known to exist.*)



VERMONT PAPER MONEY.

BY

HENRY PHILLIPS, Jr.

VERMONT PAPER MONEY.

This State, the *quarta decima stellarum*, although it is not generally known, fell, but only once, into the error, then so prevalent among her sisters, of issuing paper money. To her honor it can be truly said that the bills suffered no depreciation, and their redemption was so faithfully effected that even the mere fact that such notes were once in existence is unknown to most collectors.

In April, 1781, a general need was felt of a currency more reliable than that which already was in circulation, and the legislature "for the purpose," as the preamble of the act states, "of carrying on the war and the enlargement of the paper currency," authorized an issue of £25,155, in bills of the following denominations, and an equal number of each, viz: £3, 40*s.*, 20*s.*, 10*s.*, 5*s.*, 2*s.* 6*d.*, 1*s.* 3*d.*, 1*s.*

To invent for these bills suitable devices, and to superintend their printing, a committee was appointed, which consisted of Mathew Lyon, Edward Harris, and Edward Stiles.

The notes were to remain in circulation until the first day of June, 1782, by which time they were to be redeemed at the rate of six shillings to the Spanish silver dollar; and to meet this anticipated expense, a tax of 1*s.* and

3*d.* on the pound was laid upon the grand list of the state, and as we have already said, they were entirely redeemed by that time. Some *few* specimens, probably kept as curiosities at that time, are known to be in existence now.

The face of the bill read as follows:

"No. ——— Vermont Currency.

"The possessor of this bill shall be paid by the treasurer of the state of Vermont — in Spanish milled dollars of six shillings each, or in gold or silver coin equivalent, by the first day of June, A. D. 1782, by order of assembly, Andover, May, 1781."

(Signed by two persons.)

On the reverse is found the denomination of the bill, with the usual death threat against those who should counterfeit them, and the words "Westminster, printed by Spooner and Green, 1781."

FINIS.

INDEX.

Account, financial, of New Jersey, 69
of bills current in the eastern colonies in 1748, 108
Acts passed by the assembly of Pennsylvania for emitting bills of credit, 21, 22
vetoed by the governor, 21, 22, 25
Alberti, Philip, signs Pa. notes, 48
Allen, Joseph, signs Pa. notes, 46
Wm. Jr., " " 46
John, " N. J., 90
Alternates appointed by New Jersey, 64
" " Virginia, 195
Amboy, New Jersey assembly meets at, 65
America without a currency, 61
Anderson estimates Jersey currency, 76
Anne, Queen, proclamation of, for regulating the values of coins, 36
Annuity paid to the proprietaries of Pennsylvania, 19
Antis, Frederick, signs Pa. notes, 48
Armament resolved on by Pennsylvania, 30
prepared by the eastern colonies, 59
Arms of Great Britain on notes, 50, 51, 66
Pennsylvania " " 51, 14
Penn family " " 51
Army, notes issued by Pa., for the support of the, 32, 33
Assembly of Pennsylvania receives petitions for and against a paper currency, 12, 13, 35
appoints a committee to report on the state of the currency, 18
receives report of the committee, 19
recommend the value of the dollar to be raised to *five shillings*, 13
recommend produce to be a legal tender, 13
issues bills of credit, 13, 15, 17, 18, 20, 22, 24, 25, 28, 29, 30, 31, 32, 33, 34, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50.
confers with the governor on the issue of bills of credit, 13
erects a loan office, 14, 29, 34
receives a communication from the lords of trade relative to the paper money, 15, 16, 20
answers the inquiries of the lords of trade, 20
quarrels with the governor over the issue of bills of credit, 21
recalls bills of credit, 17, 18, 31, 35
redeems bills of credit, 18, 20, 22, 24, 25, 28, 30, 32, 34, 35
receives remonstrances, 28
appoints a provisional government, 30

Assembly of Pennsylvania receive petitions to be appointed signers, 20
declares continental money legal tender, 31
special session of, 21
adopts a scale of depreciation, 33
Assembly of New Jersey assents to an invasion of Canada, 59
issues for it, paper money, 59
issues bills of credit, 59, 60, 61, 63, 67, 68, 73, 76, 77
called together at Burlington, 65
receives petitions for paper currency, 62, 65
considers the grievances of the inhabitants, 63, 65
appoints alternates, as signers, 64
meets at Amboy, 65
recalls bills of credit, 65, 79
employs Franklin to print the notes, 67
establishes a loan office, 63, 68, 70, 74, 76
assents to an expedition to the West Indies and issues bills of credit therefor, 68
issues notes for war purposes, 76
ends loan office system, 69
rejects loan office, 77
declares continental money a legal tender, 78
redeems bills of credit, 61, 67, 69, 73, 76, 77, 79, 80
Assembly of Virginia called on for money, 193
desires more paper money, 195
adjourned by the governor, 195
called together, 197, 199
issue treasury notes, 194, 195, 196, 197, 199, 200
Association of Philadelphia merchants issue bills of credit, 28
Associations formed to support the credit of the bills of credit issued by Pennsylvania, 36
Attorney General decides the notes to be legal, 28
Bache, Richard, signs Pa. notes, 49
Bacon, Job, " " 46
Baker, John, " " 50
Baynton, John, " " 40, 49
Barge, Joseph, " " 49
Barnes, Barnaby, " " 46
Cornelius, " " 47
Baynten, Peter, " " 46
Bayard, James, " " 50
Bartow, Thomas, " N. Jersey notes, 91
Bard, Peter " " 88
Bank, first, second and third, of New Jersey, 68
Banking, Gouge's History of, 55
Bancroft's History of the United States, 61
Bank, first, of Rhode Island, 101, 119
second, " " 102
third, " " 103
fourth and fifth 105
sixth, 110 122
Barbadoes, Poyer's history of, 55
issues paper money, 15
issue of " " disallowed 15
Bard, Peter, signs New Jersey notes, 88
Barton, Thos., 91
Benezet, James, signs Pa. notes, 41, 42
John, " " 46
Daniel, " " 40
Betterton, Benjamin, " 47, 48
Bettering House in Philadelphia, issues bills of credit, 28
Biddle, Clement, signs Pa. notes, 45
Bickley, Samuel, " N. J. " 89
Bills of Credit of New Jersey, good effects of, 69
issued for Canada expedition, 59, 60
issued for West India expedition, 68
amount to £60,000, 69
not to be a legal tender, 69
to be redeemed by taxation, 69
do not injure British commerce, 69

Bills of Credit of New Jersey, people desire to augment, 69
English government refuse to increase, 69
cease to be issued, 75
depreciate, 76
penalty for refusing, 63, 76
" " counterfeiting, 64
amount of, issued for "The King's use," 76
amount of unredeemed in 1769, 76
issued through loan office, 63, 65, 76
quietly absorbed, 76
issued in rebellion, 77, 78
recall of, suggested by Gov. Livingston, 79
recalled in May, 1779, 80
issued by the colonies, 36
restrained by Parliament from being a legal tender, 25, 26
evil results of, 11, 15, 69
counterfeited, 16, 67
issued by congress declared a legal tender, 31, 78, 114
penalties for refusal of congress issues of, 31
of neighboring provinces pay for Jersey produce, 65
not a tender in New Jersey, 65
needed in New Jersey, 65
of New Jersey, bear the British Arms, 66
form of, 66
received for taxes, 66
to be redeemed, defaced and preserved, 66, 67
specimen of early issue of, 66 note,
counterfeited 66, 67, 87
counterfeits of, exported from Ireland, 67, 16
recalled in 1727, 67
issued 59, 67, 76, 77, 81, 83, 84, 88, 90, 91, 92, 93 94, 95, 96,
redeemed, 67, 69

Bills of Credit, notice of withdrawal of, to be advertised, 67
printed and engraved by Franklin, 68
of Pennsylvania issued, 13, 15, 17, 18, 20, 24, 25, 28, 29, 31, 33, 34
issued between 1760 and 1769, 25
to erect a jail in Philadelphia, 29
for the defence of the Colony, 28, 30
to provide for the army, 32, 33
on loan, 13
during the British Government to be recalled, 31
known as the resolved money, 31
the dollar money, 33
devices on the, 50, 51
bear the arms of Pennsylvania, 31, 51
" " " " Penn family, 50, 51
" " " " Gt. Britain, 51
current money, 65
in circulation amount to £385-000, 25
in circulation amount to £80,-000, 18
signers of, appointed, 14, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50
" " refuse to act, 29
destroyed, 25
issued by the contributors for the relief of poor of Philadelphia, 28
redeemed, 28, 30, 34, 35, 67
issue of, opposed, 13, 34
act for emitting, vetoed by the king, 25
made a legal tender, 13
no more to be issued, 15
fluctuation of the value of, 36
form of, of 1723, 14
supposed to represent Independence Hall, 30

Bills of Credit of Pennsylvania counterfeited, 16, 67
received at the treasury, 34
issued in rebellion bear the king's name, 30
irredeemable after 1st March, 1731, 17
" " 1st Tuesday in January, 1806, 35
do not receive confidence, 34
depreciate, 34, 36
depreciation of, fixed by law, 36
" " scale of, 35
refused by the people, 34
holders of, refuse to present, 36
associations formed to uphold the credit of, 34
printed in two colors, 31
of Rhode Island, first emission of, 101
receivable for colonial dues, 101
distinction between the, 101
depreciate, 103
refused in Massachusetts, 103
opposition to issue of, 104
memorials against the issue of, 104
merchants of Newport, petition granted, 104
new and old tenor, 106
amount of, current in 1748, 108
a new bank of, issued, 107, 110
issued, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 135, 136
destroyed, 129, 130, 131, 136, 137
of Virginia. Vide Virginia
issued, by Vermont, 213
see Treasury Notes, Paper Money, &c.
Blair, John, Jr. signs Virginia notes, 208
Blair, Wm. L., signs Pa. notes 48, 49
Boehm, Philip, signs Pa. notes, 48, 49
Bourne, Thomas, " " " 41
Borden, Joseph, " N. J. " 95
Bouquet, Col., thanks Dr. Franklin, 24
Bounties established in Rhode Island, 106
Braddock arrives in America, 193
Braddock's expedition, defeat of, 24
Brearly, David, signs New Jersey notes, 95, 96
Bridges, Robert, signs Pa. notes, 50
Brown, John, " " " 48
Bryan, George, " " " 41, 42
Braxton, George, " Va. " 207, 208
Britain, Great, arms of, on Pa. notes, 51
" " " N. J. " 66
Bucks County, inhabitants of, petition for paper currency, 12
Budden, James, signs Pa. notes, 49
Budd, Levi, " " " 48, 49, 50
Bully, Robert, " " " 42
Burge, Samuel, " " " 40, 42, 44
Bullock, Joseph, " " " 49
Burnett, Wm. " N. J. " 90, 92
Buoys placed in the Delaware Bay, 29
Burlington, N. J. Assembly meet at, 65
Burnett, Gov. William, 63
Cadwalader, Lambert, signs Pa. notes, 46
Caldwell, Samuel, " " " 49, 50
Camp, Caleb, " N. J. " 95
Cannon, James, " Pa. " 48
Carmick, Stephen, " " " 41, 45
Carpenter, Samuel, trustee Pa. loan office, 14
Thos., signs Pa. notes, 41, 42
Cather, Robert, " " 48, 49
Canada, invasion of, in 1709, 59
failure of expedition against, in 1711, 60
bills of credit issued for expedition against, 59, 60
Certificates of state loan issued by Pa. 35

Certificates of depreciation of pay issued to the Pa. line, 33
" " Jersey " 82
Chaloner, John, signs Pa. notes, 50
Champlain, Lake, 59
Chambers, Abm., signs New Jersey notes, 95
Chapman, Abm., signs Pa. notes, 38, 39
Charles, Robert, agent in London for Pa. 25
Chester County, inhabitants of, petition against a paper currency, 12
Chevalier, Peter, signs Pa. notes, 41, 42, 43
Child, James, sign Pa. notes, 41, 42, 43
Circulating medium plentiful in Pa. 11
Clark, Abm., signs New Jersey notes, 95
Clarkson, Matthew, signs Pa. notes, 41, 42, 47
Clifton, Wm., signs Pa. notes, 47
Clinton, Gov., writes to Gov., Morris, 74
Coates, Lindsay, signs Pa. notes, 46
Samuel, signs Pa. notes, 45, 46
Coin, preference for, punished, 196
abundant in Virginia, 193
Collins, James, signs Pa. notes, 50
Stephen, " " " 44, 45
John, Governor of Rhode Island, 117, 125
Colonies, parliament considers the currency of the, 20, 25, 70
Eastern and Southern, issue bills of credit, 70
issue bills on loan, 36
" " for war purposes, 36
" " " the support of the government, 36
notes of other, current in Virginia, 200
Commerce, British, injured by bills of credit, 69
Commonwealth of Pennsylvania appears on bills of credit for the first time, 31
Committee of Pa. assembly report on the state of the currency, 18
Confidence not reposed in bills of credit, 34, 80, 82, 84
Congress requests the states to make the continental money a legal tenor, 31, 78
resolves on a new issue of notes, 32, 81
requests the states to recall the notes issued by them before 19 April, 1775, 31, 80
recommends the passage of limitation acts, 80
" a revision of the tender laws, 81
Continental money, a legal tender in Pa. 31
in N. J. 78, 80
in Rhode Island, 114
in Virginia, penalty for counterfeiting, 32, 79
penalty for refusing, 32, 78, 80
rated at 40 for 1, 33, 82
to be current only at market value, 82
loses all value as a currency, 84
speculation carried on in, 84
statement of issues of, 154
depreciation of, 156
Convention of New Jersey delegates, 77
called by Virginia, 200
Contributors to the relief of the poor of Philadelphia, issue bills of credit, 28
Conyngham, Redmond, signs Pa. notes, 40
Cooke, Benjamin, Joseph and James, counterfeit Va. notes, 198
Coombe, Thos., sign Pa. notes, 45
Cooper, Jacob, " " " 41
Cox, Isaac, signs Pa. notes 44, 45
Cox, Wm. " N. J. " 90
Counterfeits advertised in Bradford's Gazette, 16
proclamation of Gov. Penn, in relation to, 28

Counterfeits of Pa. notes, 16
" N. Jersey, 19, 67, 87
exported from Ireland, 67
to be guarded against, 16
in Rhode Island, 102
of Virginia notes, 197, 198
Vide Bills of credit, Currency, &c.
Counterfeiters to be punished, 16, 64
rescued from jail, 114
Cranston, Wm., Governor of Rhode Island, 119
Credit. *Vide* Bills of credit
abuse of the public, 67
of the New Jersey notes better than that of the New York, 72
of the New York notes better than that of the New England notes, 72
of the early Pa. notes, 30
of the continental money 84
of the Virginia notes 199
Crispin, Wm., signs Pa. notes, 46, 47
Crosby, Thos., signs Pa. notes, 40
Crown Point, expedition against, 148 notes, 125, 123, 140, 143, 144, 145, 148
Cunningham, D. H., signs Pa. notes, 49
Provost Marshal at Philadelphia, 30
Dallas, Laws of Pennsylvania, 55
Davis, Caleb, signs Pa. notes, 48
Davis, Thomas, " " " 41, 42
Davidson, James, signs Pa. notes, 48
Davis, John, " " " 39
Death penalty for counterfeiting, 19, 64, 194
Dean, Joseph, signs Pennsylvania notes, 45, 49
Delany, Sharp, signs Pennsylvania notes, 46
Decow, Isaac, signs New Jersey notes, 89, 90
Deaze, Jonathan, signs New Jersey notes, 95
Dehart, Jacob, signs New Jersey notes, 91
Debt of New Jersey, 76
Delaware Bay, Bills of Credit issued to place Buoys in, 29
Denomination of Pennsylvania notes, 14
New Jersey notes, 63
Currency, Committee report to the Pa. Assembly, upon, 8
drained off by Great Britain, 12
America without a, 61
Lords of Trade, &c., inquired into the state of, in America, 20
sufficient in Pa., in 1731, 18
of the colonies reduced to three varieties, 36
Pa. presents a specimen of the colonies, 36
Franklin writes a pamphlet upon the nature of a, 17
of the colonies considered by Parliament, 25
of paper money, affords relief, 65
of money needed in New Jersey, 65
of money not sufficient in New Jersey, 68, 69
of paper, petitions for a, considered by the N. J. Assembly, 65
of paper money issued by New Jersey, see "Bills of Credit,"
term of, in New Jersey, 61, 63
permanent, needed in N. J., 60
increase of, needed in Virginia, 200
early, of Virginia, 193
Vide, "Bills of Credit," "Coin," "Dollar," "Money," "Paper Money," "Promissory Notes" and "Specie."
Depreciation, Scale of, adopted in Pa., 33
Scale of, adopted in N. J., 82
" " " " Va.,
" " " " R. I., 113, 117, 156
published on the Gazettes, 33
takes place in Pennsylvania, 34
" " in New Jersey, 76

Depreciation takes place in Virginia,
" " in Rhode Island,
fixed by law in Pennsylvania, 36
to be guarded against, 18
of continental notes, 79
of N. E. currency, 153
Dickinson, Phileman, signs N. Jersey notes, 95, 96
Dicksing, B., signs Virginia notes, 209,
Dixon, John, 209
Dog Dollars, 36
Dollar, Dog and Lion, 36
rated at 4s. 6d, 36
" " 5s., 12, 13, 36
" " 6s., 109
" " 7s. 6d., 26, 34, 36
Franklin mentions change of value of, 36
appraised by merchants of Philadelphia at 7s. 6d., 26
rated at 56s. in Rhode Island, 111
rated at £4, 111
Dollar Money issued by Pa., 33
redeemed by Pa., 35
issued by New Jersey, 81
" " Rhode Island, 125
" " Virginia.
Douglass, quoted, 56, 73, 76
Douglass, George, signs Pa. notes, 46
Dorsey, Benedict, signs Pa. notes, 46
Doughty, Jacob, signs N. J. notes, 88
Dickenson, Philemon, signs N. J. notes, 95, 96
Duche, Jacob, signs Pa. notes, 40
Duffield, Edwin, " " " 50
" John, " " " 50
Dunham, Azariah, " N. J. " 95
Duquesne, Fort, expedition against, 194
Edwards, Ezekiel, signs Pa. notes, 46
Ellis, Joseph, signs N. J. notes, 95
Emlen, Geo., signs Pa. notes, 41
Geo. Jr., " " " 45
England, Laws sent to, for approval, 15, 25, 68
England, laws sent to, receive approval, 25, 68
exportation of specie from, prohibited, 99
engages in war with France, 57, 100
Engrossing and forestalling, penalties on, 80
Exchange affected by Bills of Credit, 19, 27, 36, 52, 69, 72, 73, 76
Expedition to Canada, 59, 60
to the West Indies, 68
Braddock's, 24, 194
against the Spaniards, 106
against Annapolis, 101
Exportation of specie, impracticable to prevent, 13
necessary incident on a colonial existence, 61, 62, 63
Evans, Abel, signs Pennsylvania notes, 47, 48
Joel, 45
Jonathan, 40
William, 48
Fairlamb, Nicholas, signs Pennsa. notes, 47
Finance, new system of, in Pennsylvania, 23
Fishbourne, Wm., Trustee Pa. Loan Office, 14
Fisher, Samuel, signs Pa. notes, 46
Thomas, " " " 45
William, " " " 40, 41, 42, 44
Wm. Jr., signs Pa. notes, 46
Hendrick, " N. J. " 95
Field, John, " Pa. " 46
Fleeson, Plunkett, signs Pa. notes, 41, 42
Flood destroys Tobacco, 197
Flower, Enoch, signs Pa. notes, 41
Fox, Edward, " " " 50
Joseph, " " " 40, 46
Form of early Penn. Note, 14
" " N. J., " 66, 81
Franklin, Benjamin, writes on a paper currency, 17
prints Bills of Credit, 18, 67, 68
goes into partnership with D. Hall, 18

Franklin, Benjamin, dissolves partnership with D. Hall, 18
Col. Bouquet thanks, 24
constructs a copper plate press, 68
engraves designs for Bills of Credit, 68
notes printed by, rare, 68
's laws of Pennsylvania, 55
's State of " 55
's autobiography, 67
mentions the changing value of coin, 36
agent for Pennsylvania at London, 25
engages to have the Act of Assembly of Pennsylvania, of 1759, modified, 25
argues against the Act of Parliament, prohibiting Bills of Credit from being a legal tender, 26
Franklin, Governor Wm., of N. J., 77
France in possession of Canada, 100
Francis, Tench, signs Pa. notes, 49
French threaten Philadelphia, 28
Furman, Moore, signs N. J. notes, 95
Fund, creation of a, in N. J., 64
Gazettes, notice of withdrawal of Jersey notes, to be given in the, 67
Galloway, Joseph, signs Pa. notes, 41
Gardner, Joseph, signs Pa. notes, 48
George, King of Great Britain, name of, retained on Bills of Credit issued in Rebellion, 30, 78
Gibson, John, signs Pa. notes, 43
Glentworth, John, signs Pa. notes, 50
Gold and Silver, Table of the values of, in Pennsylvania, 19
scarce in New Jersey, 69
Goodwin, Geo., signs Pa. notes, 50
Godson, Job, " " " 38
Gordon, Thomas, signs Pa. notes, 40, 42
Pat., Gov. of Pa., assents to the issue of Bills of Credit, 17
Government refuses to sanction New Jersey Loan Act, 69
Government refuses to sanction Bills of Credit issued by the colonies for the support of the, 36
Governor, L. Morris appointed, of N. Jersey, 68
Salary of, in New Jersey, 69
Letter of, of New Jersey, relative Bills of Credit, 69
of Rhode Island, 104, 110, 117, 119, 121, 122, 123, 123, 124, 125
Grant, Wm., signs Pa. notes, 41
Gray, Wm., " " " 50
Great Britain drains off the specie of the colonies, 12, 61
Arms of, to be impressed on notes, 51, 66
Greenleafe, Isaac, signs Pa. notes, 40, 43
Grievances, Committee on, report to the Pa. Assembly, petitions relating to a paper currency, 12
Griffiths, Thos., signs Pa. notes, 38
Wm., " " " 41
Hall, David, enters into partnership with Franklin, 18
Hall of Independence, 30
Hall, John, signs Pa. notes, 39
Harman, Jacob, " " " 46
Hartley, James, " " " 46
Hart, John, " N. J. " 95
Hartshorne, Hugh, signs N. J. notes, 92, 94
Hamton, Jos., signs Pa. notes, 39
Harrison, Henry, " " " 42
Hazard, Samuel, " " " 40
Harvey, Joseph, " " " 39
Hamilton, Gov. of Pa., instructions to, 51
Henlopen, Cape, Light House at, Bills of Credit issued for a, 29
Henning, Chas., signs Virginia notes, 210
Hepburn, Stacy, signs Pa. notes, 50
Hewes, Jonah, " " " 47
Hewlings, Abm., " N. J. " 91
Hill, Brigadier, 60
Hillborn, John, signs Pa. notes, 41, 42

Hodge, Andrew, signs Pa. notes, 48
Holders of Pa. notes refuse to present them, 36
Hollinshead, Jos., signs New Jersey notes, 91, 92, 94
Hooper, Robt. L., signs New Jersey notes, 88
Hopkins, Wm., signs Pa. notes, 41, 42
Hopkinson, Francis, signs Pa. notes, 44
Homer, Edward, signs Pa. notes, 38
Hospital, Pennsylvania, receives signers' wages as a donation, 20
Howe, Samuel, signs New Jersey notes, 95
Howell, Joshua, signs Pa. notes, 41, 44
Jacob, signs Pa. notes, 49
Samuel, " " " 41
Samuel, Jr., signs Pa. notes, 45
Isaac, signs Pa. notes, 47, 48
Hubley, Adam, " " " 45, 46
Hude, Robert, " N. J. " 90
James, " " " 93
Hudson, Samuel, signs Pa. notes, 37, 45
Hughes, John, signs Pa. notes, 41, 42
Humphreys, Chas.. signs Pa. notes, 42, 45,
Humphreys, James, signs Pa. notes, 41, 43
Humphreys, Richard, signs Pa. notes, 47
Humphreys, Whitehead, signs Pa. notes, 48
Hunt, Abraham, signs New Jersey notes, 95
Hutchinson, Gov. of Massachusetts, 106
Imlay, John, signs New Jersey notes, 95
Indians threaten Pennsylvania, 22
bounty offered by Virginia for scalps of, 196
Independence Hall, 30
Indies, West, expedition to the, 68
Indians among Virginia, 194
scalps of, bounties offered for, 196
Inhabitants of New Jersey pay taxes in plate, &c., 65
sued, 65
miserable for want of a currency, 65
Interest to be paid annually to the Loan office, 13, 63
Ireland, counterfeit Bills exported from, 16; 67
Irwin, Thos., signs Pa. notes, 40
Island Money issued by Pennsylvania, 32
Issue, vide "Bills of Credit."
Jacobs, Ben., signs Pa. notes, 48
James, Abel, " " " 40, 44
Jail in Philadelphia, notes issued for, 29
Robt. Morris confined in, 30
of Kings Co., Rhode Island, broke open, 114
Jenckes, Gov. of Rhode Island, 104
Jervis, Chas., signs Pa. notes, 45, 47
John, " " " 39
Jersey Treasuries, 62
Jewelry, taxes paid in, 62, 65
Johnson, Philip, signs Virginia notes, 207, 208, 209
Johnston, Francis, signs Pa. notes, 47
Johnston, Andrew, signs N. J. notes, 95
Johnston, John, signs N. J. notes, 89
Jones, Chas., signs Pa. notes, 40, 41, 42, 43
Jones, Isaac, signs Pa. notes, 40, 43
Nathan, " " " 48, 49
Owen, " " " 40, 46
Robt. Strettell, signs Pa. notes, 45
Kammerer, Henry, signs Pa. notes, 50
Kearney, Edmund, signs Pa. notes, 40
Michael, " N. J. " 89
Kepple, Henry J., " Pa. " 45
Keen, Reynold, " " " 47, 50
Kenly, Wm., signs Pa. notes, 47
Kerr, Joseph, " " " 50
Kenley, Wm., " " " 40
King, Joseph, " " " 40

King, Henry, signs Virginia notes, 208
Kinsey, Philip, signs Pa. notes, 47
Kirkbride, Joseph, " " " 38
" N. J. " 95
Knowles, John, " Pa. " 47
Knox, John, " " " 48, 49
Robert, " " " 49
Kuhl, Fred., " " " 45
Langhorne, Jedediah, 14
Latimer, Geo., signs Pa. notes, 50
Law fixes the depreciation of the Bills of Credit of Pennsylvania, 36
Lawful money bills 107
Laws sent to England for approval, 15, 68
Law suits in New Jersey, 62, 65
Leech, Thos., signs Pa. notes, 39, 46, 47
Legal Tender, produce proposed as a, 12, 66
Bills of Credit made a, 13, 59, 63
foreign Bills not a, in N. Jersey, 69
Act of Parliament relative to, 25
continental money a, 31, 78
" " no longer a, 34, 82
Bills of Virginia made a, 194
vide "Bills of Credit."
Legislature, vide "Assembly."
Leib, Geo., signs Pa. notes, 40
Lewis, Jacob, " " " 41, 44
Mordecai signs Pa. notes, 46
Lexington, battle of, effect on the colonies, 30
Lighthouse, pier, and buoys, 29
Limitation of prices, 80
Lion dollars, 36
Littlepage, J. C., signs Virginia notes, 209
Livingston, Gov., 79
Lloyd, Hugh, signs Pa. notes, 48
Peter, " " " 39
Loan, Colonies issue notes on, 36
certificates of, issued, 35, 79
Loan Office, established in Pa., 13, 14, 15, 16, 17, 29, 34
proves impracticable, 29, 35
Loan office established in New Jersey, 63, 68, 70
ends in New Jersey, 69
approved of by Gov. Pownall, 23
" " Adam Smith, 75
needed in New Jersey, 76
successful in Pa., 15, 75
Logan, Wm., signs Pa. notes, 40
Loller, Robt., " " " 48
Lords of Trade, &c., letter from the, 15, 69
inquire into the currency of the colonies, 20
Lownes, John, signs Pa. notes, 46
Luithausen, Henry, signs Pa. notes, 48
Lyne, Joseph, signs Virginia notes, 209
Lynn, John, signs Pa. notes, 41, 42
March, Joseph, signs Pa. notes, 50
Marriott, " " " " 40, 42
Marshall, Ben., " " " 46
Masham, Mrs., 60
Massachusetts, wampum a legal tender in, 99
erects a mint, 100
issues paper money, 100, 102, 119, 120. 121, 137, 138
combination in, to refuse R. I. bills, 103
bills of, pass under different names, 107,
province rates of, 108
redeems paper money in 1748, 109
estimates dollar at 6s., 109
exchange with, on London, estimated at 11⅓ for 1, 110
Hutchinson, Gov. of, 106
Shirley, Gov. of, 74
McCrea, James, signs Pa. notes, 50
Mease, James, signs Pa. notes, 46, 49
John, " " " 46
Medium of trade, needed in New Jersey, 65, 83
Medium of trade, needed in R. I., 101
Medley, Peter, counterfeits Virginia notes, 198
Memorials against Bills of Credit, 103, 12

Mentges, Francis, signs Pa. notes, 50
Meredith, Chas., signs Pa. notes, 40, 41, 45
Meredith, Samuel, signs Pa. notes, 49
Merchants petition for a paper currency, 12
petition against paper currency, 104
circulate promissory notes, 27
associate to preserve the credit of the Bills, 34
agree as to value of coin, 25, 26, 34
Mifflin, John, signs Pa. notes, 45
Jonathan, " " " 49
Joseph, " " " 46
Thomas, " " " 45
Miles, Samuel, signs Pennsylvania notes, 46
Miller, John, signs Pennsylvania notes, 49, 50
Mitchell, James, signs Pa. notes, 39
Money, vide Bills of Credit, Currency, Dollar, &c., &c.
Montreal, expedition against, 59
Monnington, Wm., signs Pa. notes, 39
Moore, Charles, signs Pa. notes, 47, 48
Moore, Thomas, signs Pa. notes, 41, 42, 47, 48
Morgan, Ben., signs Pa. notes, 46
Evan, " " " 40, 42
Morris, Anthony, signs Pa. notes, 37
" Jr., " " " 45
Cadwalader, signs Pa. notes, 45, 49
Morris, James, signs Pa. notes, 19, 39, 43
Joseph, " " " 40, 41, 42, 44
Luke, 41, 42, 43, 44
Morris, Samuel, signs Pa. notes, 40, 42
Morris, Samuel C., signs Pa. notes, 46, 48
Wm., Jr., 41, 42
Morris, Richard, signs Va. notes, 209
Morris, Robert, imprisoned for debt, 30
Morris, Lewis, appointed Governor of New Jersey, 69
salary of, 69
message of, 71
letter of, to Lords of Trade, 72
bribe offered to, 72
writes to Gov. Shirley, 74
Mortgages taken for notes, 13, 63, 103
Morton, John, signs Pa. notes, 45
Sketchley, " " " 47
Murdoch, Samuel, signs Pa. notes, 50
Neave, Samuel, signs Pa. notes, 40
Neil, Robt., " N. J. " 96
Nevill, Samuel, " " " 90, 91, 92, 93, 94
Newlin, Nathaniel, 14
New England, armament from, 59
New York, separates from New Jersey, 68
furnishes troops, 59
Newspapers, 55
Newport, merchants of, petition against paper currency, 104
New tenor bills, 106
New Jersey sends troops to invade Canada, 57
supports the government, 64
Assembly of, 63, 65
issues paper money, 60, 66, 67, 68
silver and gold exported from, 64
incurs a debt of £5000, 60
death for forging Bills of, 64
appoints alternates, 64
Bills of Credit of, a legal tender, 63
loans bills on land security, 63
produce of, paid for in foreign notes, 65
inhabitants of, sued, 65
has need of paper money, 65
Gov. of, has at heart the good of his subjects, 65
Gov. of, Lewis Morris appointed 69
impresses on bills British arms, 66

New Jersey, currency needed in, 65, 69
law suits arise in, 65
inhabitants of, ruined, 65
" " miserable for a currency, 65
form of bills issued by, 66
receives bills for taxes, 66
redeems bills, 66, 67
defaces bills, 66
keeps bills when redeemed, 66
recalls bills, 16, 67
bills of, counterfeited, 16, 67
counterfeits of bills of, sent from Ireland, 16, 67
counterfeits of bills of, resemble the genuine, 16, 67
establishes a Loan Office, 68, 70
sends laws to England for approval, 68
currency of, insufficient for trade, 68
separated from New York, 68
L. Morris first Governor of, 68
receives produce for taxes, 66
receives jewelry, &c., for taxes, 65
specimen of early issue of Bills of Credit of, 66 *note*.
Treasurers of,
Treasurers to redeem and keep Bills of Credit, 67
has but little gold or silver, 69
has £60,000 current in Bills of Credit, 69
salary of governor of, 69
loan office system of, ends, 69
good effects of Paper Currency in, 69
issues Bills of Credit for an expedition to the West Indies, 68
financial account of, 69
notes of, printed by Franklin, 68
notes of, printed by Franklin, rare, 68
remits indirectly to England, 70
paper money of, free from the usual objections, 71
message of Gov. Morris to the Assembly of, 71
New Jersey, foreign trade of, inconsiderable, 72
credit of bills of, better than of N. Y., 72
Gov. of, desires "a palace," 72
incurs great expenses for Canada and West Indies expeditions, 73
issues "War Notes," 73
frames a new loan office bill, 74
coin insufficient in, 75
ceases to issue Bills of Credit, 75, 78
taxation sole support of, 76
amount of debt incurred by, 76
imposes penalties for refusing bills, 76
provincial convention of, 77
declares continental money a legal tender, 78
withdraws notes issued under the Crown, 80
enacts limitation of prices, 80
punishes forestalling and engrossing, 80
passes and repeals tender laws, 81
issues dollar money, 81
loan office needed in, 76
W. Franklin, Gov. of, 77
convention of delegates from, 77
Preparation made against G. B., 77
issue in, for arms, &c., 77
bills of this issue, very rare, 77
form of bill, 78
declares congress issues a legal tender, 78
death for counterfeiting, 79
Gov. Livingston's message to Assembly, 79
in need of money, 79
issues interest bearing treasury Notes, 79
resolves to withdraw all notes issued under the Crown, 80
engrossing and forestalling in, 80
tender laws passed, 81
congress recommend a revision of tender laws in the states, 81

New Jersey, orders an issue of notes, 81
prepares a scale of depreciation, 82
resolves that it is determined to redeem at their full value of gold and silver, all the notes issued on the faith of the State, 83
currency of, not sufficient for trade, 83
issues notes for small change, 83
makes them a legal tender, and afterwards repeals that part of the law, 84
resolves to withdraw the issue, 84
issues a small amount in 1783, 84
Nicholas, R. C., signs Virginia notes, 207, 208
Nicholson, Col., 59
Niel, Robt., signs N. J. notes, 96
Nixon, John, " Pa. " 43
Norris, Isaac, " " " 19
Notes, see *Bills of Credit*, *Paper Money*, *Currency and Promissory Notes*, *Treasury Notes*.
Congress resolves on a new issue of, 32
Congress guarantee of payment of the new, 32
printed by Franklin, 68
North Carolina nearly ruined by paper money, 72
Norton, John H., signs Virginia notes, 209
Office, vide Loan Office.
Okill, Geo., signs Pa. notes, 40
Old tenor bills, 106
Ord, John, signs Pa. notes, 41, 42
Owen, Evan, " " " 38
Paper Money, necessary in Pa,, 13
merchants of Philadelphia petition for, 12
Buck's County petition for, 12
Chester " " against, 12
petitioned for in New Jersey, 65
excessive creation of, 79
Paper Money, a legal tender in Pa., 13, 62
a legal tender in New Jersey, 62
refused in New Jersey, 62
issued by Pennsylvania, 12, 13, 15, 17, 18, 20, 24, 25, 28, 29, 31, 33, 34
see "Bills of Credit,"
issued by New Jersey, 59, 67, 68, 76, 77
see "Bills of Credit,"
party arises, 34, 85, 105, 110, 116
issued by the Eastern and Southern Colonies, 11, 70
pays for Jersey produce, 65
Pa. legislates finally upon, 35
instructions to Gov. of Pa. relative to, 51
current Money, 65
affords relief, 65
credit of, supported by association, 34
Parliament restrain Bills of Credit from being a legal tender, 25
Act of, 70
Party, Paper Money, 34, 85, 105, 110, 116
Parker, Josiah, signs Virginia notes, 209
Parker, John, signs New Jersey notes, 88
Parker, Joseph, signs Pa. notes, 48
Parrock, John, 44
Parry, Wm., 38
Pascall, Isaac, signs Pa. notes, 41
Patton, John, " " " 49
Paxson, Henry, " N. J. " 91
Pendleton, Edmund, signs Virginia notes, 207
Pendleton, John Jr., 209
Penn, Richard, 28, 51
Thomas, 51
arms of family of, 50, 51
Pearne, Rd., signs Pa. notes, 42
Penrose, James, 44
Pennington, Edward, 40, 41
Pemberton, Israel, 19
James, 40, 43
Joseph, 45, 46
Pettit, Andrew, 50

Pennsylvania, acts framed by the Assembly of, 21, 22
Newspapers of, 55
Treasurer's reports of, 55, 30
last legislation of, rel. to Bills of Credit, 35
hospital receives pay of signers, 21
has a paper currency of £385,000 25
has a paper currency of £80,000
revives loan office system, 29
signers of bills of, neglect to act, 29
dollar rated at 7s. 6d. in, 34
5s., 13, 34
4s. 6d., 34
issues bills for the support of the army, 32, 33
fluctuation of value in, 36
issues dollar money, 33
" island money, 32
redeems " " 32
Assembly of, receives remonstrances against a paper currency, 13
Assembly of, receives petitions for a paper currency, 13, 35
Assembly of, receives remonstrances against the merchants notes, 28
resolves to be armed, 30
threatened by the French, 28
treasury of, no longer receives Resolve money, 35
treasury of, no longer receives Dollar money, 35
provides by taxation for the redemption of bills, 30
recalls Bills of Credit, 35
redeems " " " 34, 35
issues Bills of Credit, 24, 25, 15, 17, 20, 28, 29, 31, 34
affected by the Battle of Lexington, 30
appoints a provincial government, 30
issue notes for Braddock's expedition, 22
erects a Loan Office, 12, 68
Pennsylvania adopts a paper currency, 12
issues Bills in Rebellion, 30
stamps on Bills the Arms of Britain, 50, 51
stamp on Bills the Arms of the Penn family, 50, 51
stamps on Bills the Arms of the Commonwealth of Pa., 51
inaugurates a new system of finance, 23
issues certificates of State Loan, 35
taxation in, acts unequally, 35
issues Treasury notes, 34
people of, refuse Bills of Credit, 34
paper money party arises in, 34
appoints signers of notes, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50
fixes by law the depreciation of the Bills, 33, 36
Gordin's history of. 55
Proud's " " 55
Hazard's Register of, 55
Archives, 55
Records, 55
issue certificates of depreciated pay to her Line, 33
declares continental money a legal tender, 31
Bills of Credit of, depreciate, 34
trade of, affected by paper currency, 52
laws of, 55
votes of Assembly of, 55
journals of House of Representatives of, 55
journals of Senate of, 55
loan office of, successful, 75
" " " approved by Gov. Pownall, 23
Pier vide "Lighthouse."
Petitions from Philadelphia merchants for a paper currency, 12
for a paper currency in N. J., 65
against paper currency in Pa., 12, 13, 35

Petitions to be appointed signers of Bills, 20
People of N. J. desire more Bills of Credit, 69
of Pa. clamor for paper money, 34
of Pa. refuse paper money, 34
Penalties inflicted for not receiving Bills of Credit, 13, 76
Philadelphia held by the British, 30
paved by Bills of Credit, 28
Prison in, erected by Bills of Credit, 29
Merchants of, issue notes, 27
Merchants, notes of, declared legal, 28
Merchants, notes of, suppressed, 28
Merchants of, value coin, 26
Bettering house in, Bills of Credit issued for, 28
Citizens of, names found on early notes, 20
Merchants of, petition for a paper currency, 12
Gazettes of, publish monthly depreciation, 33
Plate received for taxes in New Jersey, 65
Pleasants, Samuel, signs Pa. Notes, 45
Poyer's History of the Barbadoes, 56
Poor of Philadelphia, Bills issued by contributors to, 28
Pownall, Gov., approves the Pa. Loan Office system, 23, 75
Pownall, Gov., administration of the Colonies, 56
Produce receivable for taxes, 66
proposed as a legal tender, 12, 13
of N. J. paid for in foreign bills, 65
Province Island to be sold, 32
Proclamation of 6th Queen Anne, 36
Preamble of Pa. Act of 1723, 14
Price, Elisha, signs Pa. Notes, 47, 48
Prior, Thos., 46, 49
Prison built in Philadelphia by Bills of Credit, 29
Promissory notes circulated by the merchants of Philadelphia, 27
Proprietaries of Pa. quarrel with the Assembly, 21, 23
receive an annuity, 19
instructions of, to Gov. Hamilton, 51
Lands of, taxed, 23
Proud's History of Pa., 55
Provincial Archives of Pa., 55
Government appointed by Pa., 30
Purviance, John, signs Pa. notes, 46, 49
Quakers of N. J. oppose Canada expedition, 59
Queen Anne, proclamation of, 36, 104
Randolph, John, 207
Edmund, 209
Peyton, 198, 207, 208
Raper, Caleb, signs N. Jersey notes, 89
Rawle, Frs., signs Pa. notes, 37, 41, 42
Read, Chas., signs Pa. notes, 37
Redman, Joseph, signs Pa. notes, 40, 41, 47, 50
Redemption of Bills of Credit provided for, 30
vide "Bills of Credit."
Reeve, Peter, signs Pa. notes, 41, 42
Refusal of Continental Money, penalties on, 32
Relief afforded by a Paper Currency, 65
of the poor of Philadelphia, contributors to, issue Bills of Credit, 28
Remedy provided for the greviances of New Jersey, 65
Remonstrances presented to the Assembly against a paper currency, 13
to the Philadelphia merchants notes, 28
Report of committee of Pa. Assembly relating to a Paper Currency, 12
Resolve money issued by Pa., 31
no longer a legal tender, 34
Resolves of Assembly of Pa., 30
" " N. Jersey, 68

Results of Paper Money in Virginia, 195
Reynall, John, signs Pa. notes, 40, 43
Rhea, J., signs Virginia notes, 209
Rhea, John, signs Pa. notes, 41, 45
Rhodes, Samuel, signs Pa. notes, 43, 44
Rhode Island, Wampumpeage circulates in, 99
first issues paper money in 1710, 101
issues a Bank of £30,000, 101
issues a second Bank, 102
extends the period of the first Bank, 102
Notes of, counterfeited, 102
depreciate, 103
issues a third Bank, 103
combination to refuse the notes of, 103
opposition to issue of paper money by, 104
lends N. Borden money, 106
raises taxes, 107
rates dollar at 6s., 109
finds excuses for issuing paper money, 105
offers bounties on manufactures, &c., 106, 110
issues a Bank in August, 1738, 106
issues a Bank for an expedition against the Spaniards, 106
old and new tenor bills of, 106
lawful money bills of, 107
Assembly receives instructions from England, 107
issues a new Bank in 1744, 107
notes outstanding in, in 1749, 108
trade of, receives a shock, 109
receives money from Parliament, 109, 112
paper money of, loses half its value, 109
Lieut. Gov. of, fails in trade, 110
paper money party gets the majority in lower house of, 110
Rhode Island issues a ninth Bank, 110
rates the Dollar at 56s., 111
issues Bills for Crown Point expedition, 111
closes paper money committee's office, 111
amount of paper money of, outstanding in 1762, 112
declares gold and silver alone to be lawful money, 112
raise troops in May, 1775, 114
issues £20,000, 114
issues Treasury notes, 114, 115
makes continental money a legal tender, 114
establishes a scale of depreciation, 115
rates the Dollar at 40 for 1, 115
repeals tender acts, 115
redeems paper money, 115
issues a Bank in 1786, 116
redeems the issue of 1786, 117
issues Bills of Credit, 119, 120, 121, 122, 128, 124, 125, 126, 127, 128, 135, 136
redeems Bills of Credit, 129, 130, 131, 136, 137
revolutionary debts of, report upon, 160
Jenckes, Gov. of, 104, 120
Wanton, Dep., Gov. of, 104
Whipple, Jos., " " fails, 110
Collins, John, Governor of, 117, 125
Cranston, Samuel, Governor of, 119
Ward, Rd., Governor of, 121
Greene, Wm., " "121, 122, 123, 125
Hopkins, Stephen, Governor of, 122, 123, 124
Ward, Samuel, Governor of, 124
Lyndon, Josias, " " 124
Fenner, Arthur, 125
Richardson, Joseph, signs Pa. notes, 41, 43
Risk, Charles, signs Pa. notes, 50
Roads, Samuel, " " " 40, 43
Roberdeau, Daniel, signs Pa. notes, 43, 44

Roberts, Edward, signs Pa. notes, 46
Hugh, " " " 40
Robinson, John, Treasurer of Virginia, 194
Rodman, Thos., 94
Salary of Governor of New Jersey, 69
Sale of Province Island, 32
Sansom, Samuel, signs Pa. notes, 40
Saunders, Joseph, " " " 40, 41, 42
Say, Thos., signs Pa. notes, 40, 41, 42, 44
Sayre, John, signs Pa. notes, 41
Scale of depreciation adopted by Pa., 33
Scale of depreciation adopted by New Jersey, 82
Scale of depreciation adopted by Rhode Island, 113, 117, 156
Seaton, Geo., signs Virginia notes, 209
Sellers, John, signs Pa. notes, 45
Separation of New Jersey from New York, 68
Shaffer, David, Jr., signs Pa. notes, 49
Shippen, Wm., " " " 40
Shoemaker, Ben., signs Pa. notes, 45
Jacob, Jr., signs Pa. notes, 44
Shoemaker, Thos., signs Pa. notes, 47
Shubart, Michael, signs Pa. notes, 48, 49, 50
Shute, Atwood, signs Pa. notes, 40
Shirley, Gov., 74
Signers of Pa. notes refuse to act, 29
alternate appointed as, 64
Philadelphians petition to be appointed, 20
Silver plentiful in Pa., 11
and Gold, table of the value of in Pa. from 1700 to 1739, 19
Sims, Joseph, signs Pa. notes, 45
Buckridge, " " " 41
Smith's History of New Jersey, 55
Michael, counterfeits New Jersey Bills, 88
Smith, Adam, approves Pa. Loan Office, 75
Smith, Ben., signs New Jersey notes, 96
Smith, Daniel, Jr., signs New Jersey notes, 91, 93, 94
John, signs Pa. notes, 40
Robt., " " " 50
" " N. J. " 90, 95
Rd., " " " 95, 89
Samuel, signs Pa. notes, 39, 41, 48
Thos., signs Pa. notes, 41, 49
Wm., " " " 47, 50
John, signs N. J. notes, 91
Smyth, John, signs N. J. notes, 91, 92, 94
Snowden, Isaac, signs Pa. notes, 48
Jedidah, 48, 49
Specie disappears from the Colonies, 61
exportation of, impracticable to prevent, 13
exists in the Colonies only to a small amount, 62
only remittance possible to Great Britain, 62
exportation of, from England forbidden, 99
State Loan, certificates of, issued by Pa., 35
Steadman, Chas., signs Pa. notes, 40
Steel, John, 50
Steinmetz, John, 45
Stephens, James, 46
Stevens, John, signs N. Jersey notes, 89, 90
Storm disperses English fleet, 60
Stretch, Joseph, signs Pa. notes, 42
Strettell, Amos, 40
Suspected notes to be compared with genuine, 67
Swift, Joseph, signs Pa. notes, 45
John, 41
Taxation provides for the redemption of the Bills of Credit of Pa., 30
of the lands of the proprietaries of Pa., 23
unequal in Pa., 35

Taxation complained of in Pa., 35
Taxes payable in produce in New Jersey, 66
paid in plate, &c., in N. Jersey, 62, 65
Taylor, John, signs Pa. notes, 40, 50
Tazewell, B., signs Virginia notes, 209
Tender, vide Legal Tender,
B. of C. made a legal in Pa, 13
in N. J., 78
in Va., 194
in R. I., 101
no longer a legal, in Pa., 35
N. J., 84
R. I., 115
Va.
of congress, declared a legal, in Pa., 31
of congress declared a legal, in N. J., 81
of congress declared a legal, in R. I., 114
of congress declared a legal, in, Va.
of congress no longer a, in Pa., 34
of congress no longer a, in N. J., 82
of congress no longer a, in R. I., 115
of congress no longer a, in Va.
laws, congress recommends a revision of the, 81
laws passed and repealed in N. Jersey, 81
Tenor, old and new, 106
Thorne, Wm., signs Pa. notes, 48
Thomson, Chas., " " " 41, 42
Peter, 47, 48
Thompson, Charles, 41, 43, 44
Thomas, Gabriel, 11
Tilbury, Thos., signs Pa. notes, 42, 47
Tilton, Wm., 50
Tobacco currency in Virginia, 193
Tobacco notes, 193
Todd, Abm., signs Pa. notes, 45
Trade of Pa. affected by paper money, 52
Trade, medium of, needed in N. Jersey, 65
currency insufficient for, in N. Jersey; 68
Treasurers of Pa. mention redemption of Bills of Credit, 30
of N. Jersey, to keep redeemed Bills of Credit, 67
no longer receive Resolve money, 35
no longer receive Dollar money, 35
no longer receive old Bills of Credit, 35
redeem Bills of Credit, 34
Treasuries of East and West Jersey, 62
Treasury Notes issued by Pa., 34
by N. J., 79
Treasury Notes issued by Rhode Island, 114
Treasury Notes issued by Virginia, 194, 195, 196, 197, 200
penalty for refusal of, 196
Trent, Jas., signs New Jersey notes, 88
Trustees of loan office appointed by Pa., 14
Tresse, Thos., signs Pa. notes, 38
Treichel, Chas. Lewis, signs Pa. notes, 48
Trotter, Wm., 39
Turnbull, Wm., 50
Tuckniss, Robt., 46
Tucker, Wm., signs N. Jersey notes, 95
Tybout, Andrew, signs Pa. notes, 47, 50
Twells, Godfrey, signs Pa. notes, 46
United States guarantee the payment of notes, 32
Usher, Abm., signs Pa. notes, 46
Value of coin agreed to by Philadelphia merchants, 13, 26, 36
of coin fluctuates in Pa., 40
Vanderspiegell, Wm., signs Pa. notes, 40
Vaux, Rd., signs Pa. notes, 46
Vetch, Col., 59

Vining, Ben., signs Pa. Bills of Credit, 37
Vreeland, Enoch, signs New Jersey notes, 88
Virginia, no bills in, before 1755, 193
coin abundant in, 193
early currency of, 193
Dinwiddie, Gov. of, 193
issues notes, 194, 195, 196, 197, 199, 200
makes notes a legal tender, 194
annoyed by Indians, 194
death penalty for counterfeiting notes of, 194
assembly of, adjourned, 195
recalls notes, 195, 196
inflicts penalty for refusal of notes, 196
offers a bounty for scalps, 196
suffers from a flood, 197
notes of, counterfeited, 197
Assembly of, called together, 197, 199
counterfeiters of notes of, apprehended, 198
protects notes of other colonies, 200
unprepared for war, 200
debt of, 200
calls a provincial convention, 200
resolves to defend herself, 200
receives petition for an issue of currency, 200
Wade, Francis, signs Pa. notes, 50
Waller, Ben., signs Va. notes, 207, 208
Walker, Sir Hoveden, 60
Wampumpeage, made by the Indians, 99
two kinds of, 99
a legal tender, 99
currency, 193
Walnut St. Prison, built by Bills of Credit, 29
Walnut St. Prison, Robt. Morris confined in, 29
Cunningham, Provost Marshal at, 29
Wanton, Jos., Dep. Gov. of Rhode Island, 104
War, Bills of Credit issued for purpose of, 36
War notes issued by New Jersey, 73
Warder, Joseph, Jr., signs Pa. notes, 45
Watkins, Joseph, signs Pa. notes, 48
West Indies, expedition to the, 68
Webb, James, signs Pa. notes, 39
Wertz, Wm., " " " 50
Webb, Geo., " Va. " 209
Forster, " " " 210
Wharton, Chas., signs Pa. notes, 46
Isaac, 46
Joseph, Jr., 41, 42, 44
Joseph, 40, 49
James, 41, 42, 43, 45, 46
Samuel, 41, 42
Thomas, 40, 41, 43
Whipple, Dep. Gov. of R. I., fails, 110
Will, Wm., signs Pa. notes, 48
Williams, Daniel, 40, 42
Willing, Richard, 46
Williams, Stephen, signs N. Jersey notes, 90
Winey, Jacob, signs Pa. notes, 45
Wishart, Wm., " " " 46
Wistar, Dan'l, 48, 49
Rd., 42
Wm., 46
Wooley, Stephen, signs Pa. notes, 42
Wm., 41
Wright, John, signs Pa. notes, 48
Wynkoop, Ben., " " " 45
Yard, Joseph, signs N. Jersey notes, 91, 93
Yorke, Thos., signs Pa. notes, 42
Young, John, Jr., signs Pa. notes, 48

Continental Paper Money.

HISTORICAL SKETCHES

OF

AMERICAN PAPER CURRENCY.

SECOND SERIES.

BY

HENRY PHILLIPS, Jr., A.M.

"The earth hath bubbles as the water hath,
"And these are of them."..... *Macbeth.*



PRINTED FOR W. ELLIOT WOODWARD,
ROXBURY, MASS.
1866.

No.

Copyright secured according to act of Congress in the year 1866,
By HENRY PHILLIPS, Jr.,
In the Clerk's Office of the District Court of the United States for the Eastern
District of Pennsylvania.

EDITION OF 250 COPIES, AND 3 ON DRAWING PAPER.
50 COPIES ON LARGE PAPER.

PREFACE.

The present volume contains an account of the Bills of Credit issued by Congress usually known as *Continental Money;* a name given to the notes in the earliest stages of their existence as denoting their origin from the Confederated efforts of America, as being common to all the thirteen colonies, and as a mark distinguishing them from their separate and individual issues. The apparent non-redemption of this currency has always seemed to stand as a reproach against the United States, while the history of the notes and the reasons why they were not fully liquidated, have been but imperfectly known. The elucidation of this matter is the object proposed in the following pages, for which through several years, during the intervals of leisure from professional duties, the materials have been gathered and placed in order. The assistance of friends has enabled the author, when time did not suffice,

to make many of the researches necessary for the subject. Individually, already thanks have been tendered to them, but it would be improper to close the record without this public acknowledgment of their many kindnesses.

The intention of the author had been to add an appendix containing a table showing the amount of paper money issued by each of the thirteen colonies during, and in aid of the Revolution, but it was found impracticable, owing to various reasons, to obtain the full statement, and the idea was forced to be relinquished.

HENRY PHILLIPS, Jr.

Philadelphia, February 13, 1866.



"Though now this grained face of mine be hid,
In sap consuming winters drizzled snow,
And all the conduits of my blood froze up:
Yet hath my night of life some memory,
My wasting lamp some fading glimmer left."

Comedy of Errors, v., i.

"Err shall they not who resolute explore,
Time's gloomy backward with judicious eyes;
And scanning right the practices of yore,
Shall deem our hoar progenitors unwise."

Euripides.

ERRATA.

Page 29, line 16, for "*last*" read "*least.*"
Page 48, line 12, for "*Jeroboam*" read "*Rehoboam.*"
Page 188, the note about assignats is to be credited to "*Encyc. Am.*"



CONTINENTAL PAPER MONEY:

AN

HISTORICAL RESEARCH

BY

HENRY PHILLIPS, Jr., A. M.

CONTINENTAL MONEY.

The questions of high import and mighty interest involved in the birth of nations have always been left to the arbitrament of the sword: the contingencies arising from the disruption of the social fabric seem never to have been settled in any other manner. Antiquity teems with the proof of this assertion, and modern history is not wanting in exemplars. Multitudinous wars are recorded in the annals of Greece, occasioned by the secession of one or more members of its confederacies; manifold kingdoms arose through fiery baptism on the death of Alexander the Great; many petty sovereignties sprang into existence when the dissolution of the Roman Empire occurred. At a later day, the birth of Portugal, only accomplished after a tedious struggle with its parent Spain; the independency of the United Netherlands, a certainty, only after many years of weary persecution.

The web and the woof of communities, woven by destiny, are of too close a texture to be lightly dissevered; the ligament of nations can be separated by no unskillful hand. When from the ruins of a state, phœnix-like, a new one arises, novel circumstances and contingencies are forever presented to view — to be met only by some mode

as extraordinary as the occasions themselves; new obligations must be constantly provided for. The extent of human knowledge is searched for expedients, which too often prove deceptive and useless. A resort to measures which once have proved the salvation of a state and have rescued it from distress, would when now taken prove almost its destruction.

Civil war overturns all preconceived ideas, and nations suffer whilst knowledge accumulates.

Beyond all other things, the first subject to claim the attention of a nascent government, is that of *finance*. Other matters may wear an equally pressing garb, but this is unquestionably the most important.

In the month of May, 1775, the continental congress assembled at Philadelphia. "All the deputies," says Botta, speaking of the old congress, and it is equally true of this, "were men of note and distinguished by the public favor. Far from being persons destitute of the goods of fortune, they were all landed proprietors, and some possessed even considerable opulence." But the meeting in the prior year was under different circumstances from that which now took place. The threatenings of war were then only heard at a distance: now hostilities had actually begun. Then the people of America were not destitute of hope that the petitions transmitted from the colonies to parliament and the favorable disposition shown towards them by some of the more powerful British influences, would not be without effect in reconciling the matters in dispute; now it was clearly to be seen that nothing short of an unreserved submission would be accepted by Great Brit-

ain. The vain expectation of tranquillity had been dispersed by the skirmishes of Lexington and of Concord. Troops were being raised throughout the whole country, and the question now pressed for a solution how were these troops to be supported. Armies were to be raised to drive the oppressors out of the land, to protect the extended frontier and to invade the British provinces in North America which still clung to their allegaince. The mutual jealousies between the colonies, and the fear of creating a great government predominant over all, threw across the path along which the congress was forced, great and almost insuperable obstacles: perhaps even the leaders were not confident of success against the power they now so boldly held at defiance.

"Few enterprises were ever commenced with greater intrepidity, for few have presented greater uncertainty and peril; but the die was cast, and the necessity in which they were placed did not permit them to recede.[1]" The prospect before the congress was not calculated to inspire confidence. Commerce, once brisk in the colonies and the life of their business, was utterly prostrated, and it was evident that during the war it could not be renewed, so as to produce a revenue; the thousand cruisers of the powerful enemy lay everywhere on the coast in wait for the colonial merchantmen. The moneys requisite to defray the expenses of the war, the raising and supporting of armies and navies, the procuring of arms, ammunition and necessary stores of all kinds, were entirely wanting: nor was

[1] Botta.

there any appearance or likelihood of a further supply, present or future.

The states, which had thrown off the royal government and were substituting that of the people, were all in confusion: provincial assemblies, congresses, committees of safety and of inspection, and multitudes of similarly self-organized bodies, were daily rearing their heads; the powers of the old authorities were usurped by new ones thus appointed. The policy of Britain had been to keep her colonies defenceless and dependent, and of this they now reaped the bitter fruits: the very means of subsistence and of clothing for an army of much less magnitude than the emergency forced upon them, did not exist in sufficient quantities in the whole land. Even salt was wanting.

The treasuries of the several colonies were almost empty. They had just redeemed the debts incurred by them for their ambitious mother in the late wars, and in their coffers rested but a few thousand pounds. But money was wanting and must be instantly had. The thought of obtaining it by loans or by taxes was absurd and impracticable; who could be found foolish enough to lend to a government only a few hours old—with no certainty of ever again being repaid, and an utter certainty in the case of the failure which might almost be predicated against this hazardous undertaking, that they would never again see their money. As to taxation, it was ridiculous to believe that the people would submit to the creature of their own making the powers which they had denied to parliament, and even an attempt at such a measure might at this stage have proved of so unpopular a nature as to be attended

with the downfall of congress. Men and money were their great wants, and how these were to be supplied and the stream kept flowing was the problem. The state of colonial dependence had stripped the colonies of most of their cash: at this time the whole circulating specie was estimated by a most accurate writer[1] at *thirty-six millions* of dollars, a sum, of which, small as it is for the then population of the colonies, he afterwards saw fit to reduce the estimate to *twelve millions of dollars.*

What course then remained for congress to pursue? Tamely to submit to the rod which was preparing to chastise them: or was it not better to run any hazard than again be at the mercy of their merciless master?

In this situation, surrounded with doubts, perplexities and conflicts of power, with so many pressing wants and emergencies, but one expedient was left to them; one which had often with varied results, but chiefly bad, been practised in America: one which bears a relation to similar usages in Europe. When ready money, or commodities, are not possessed by individuals or nations, there is always one resource which still clings to them: it is their credit. As individuals when pressed obtain a temporary accommodation by issuing and having discounted their promissory notes, so governments have the expedient of bills of credit. And thus it was with the congress; it resolved to issue paper money.

With the nature and workings of such a scheme the individual members had long been familiar; from Massachusetts to Georgia, paper money was in existence; even

[1] Peletiah Webster.

in Canada, the West India islands and Louisiana. "The American paper money," says John Adams,[1] "is nothing but bills of credit, by which the public, the community, promises to pay the possessor a certain sum in a certain limited time. In a country where there is no coin or not enough in circulation, these bills may be emitted to a certain amount, and they will pass at par; but as soon as the quantity exceeds the value of the ordinary business of the people, it will depreciate, and continue to fall in its value, in proportion to the augmentation of the quantity." It will hence be seen that the majority of congress had a thorough knowledge of the slender support to be placed on such a resource; but unhappily the people at large had no such correct ideas, and for the evils caused by over issue, forgetting that paper unlike coin was but a conventional sign which could not stand of itself, they considered further issues would form the remedy.

The congress assembled on the tenth day of May, 1775, and for several weeks resolved itself into a committee of the whole on the state of America; doubtless the subject of finance was under earnest consideration, and the measure of emitting paper money for the support of the government appears to have been referred to the several provincial congresses or assemblies. Governor Colden writes to the Earl of Dartmouth from New York on the 7th of June, 1775, as follows:[2] "The principal matters said now to be under consideration in congress are raising money and an army to oppose the king's forces, and erect-

[1] *Adams' Works*, edit. C. F. Adams, vol. vii, p. 296.

[2] *Documents relating to the Colonial History of New York*, vol. viii, p. 579.

ing such fortifications as may best command the country and obstruct the march of an army. The congress are well aware that an attempt to raise money by an immediate assessment upon the people would give a disgust that might ruin all their measures, and therefore propose to do it by issuing a paper currency. I am told the measure has been referred to the several provincial congresses, and that the congress of New York have approved of it, as no doubt others will." This assertion appears well founded; in fact the colony of New York, foreseeing that recourse would be necessary to a paper currency for carrying on the war, had as early as the twenty-sixth of May, appointed a committee to take into consideration the propriety of emitting a continental paper currency, and had prepared and sent to their delegates in the continental congress the following letter:

NEW YORK, May 26, 1775.

Gentlemen: Upon considering the present state of these colonies, it naturally occurred to this congress that an uncommon levy of money will soon be necessary for continental service, and that therefore an universal paper currency may probably become the subject of consideration in your respectable body. To this scheme it may naturally be objected that it will be imprudent in one colony to interpose its credit for the others. On the other hand it is clearly impossible to raise any sum adequate to the service by tax; and the necessary intercourse of expenditure throughout the colonies will be obstructed by separate emissions of the several colonies which cannot in their nature gain universal circulation. We have this important subject under serious deliberation, and are still at a loss for the best expedient most effectually to answer the purpose. We have therefore appointed a committee of our body to give it their

closest attention and to report their opinion to us with all possible dispatch; the result of which and our final resolution thereon we shall communicate to you without loss of time. In the mean time should this matter be now in contemplation in the continental congress we earnestly request that its determination may be so postponed as to furnish an opportunity of acquainting you with our more mature sentiments on this most important point.[1]

To which the following answer was received:

May 30, 1775.

* * * We shall pay a particular attention to what you say on the subject of a paper currency, since we are well apprized both of its difficulty and importance, and we wish you to be speedy in your determinations upon it, as it may throw some light upon the subject we may otherwise want.

Again they wrote and appended the report of the committee:[2]

May 30, 1775.

Gentlemen: Enclosed you have a copy of the report of our committee upon the expediency of a paper currency and the approbation of that report by this congress. Upon the perusal of it you will readily perceive the impropriety of laying it before the continental congress. We send it to you to show our sense and the reasons on which it is founded, out of which you will select for use such as you may think proper.

REPORT.

Your committee do most humbly report that having made the best inquiry which the short time would admit of, they find the proportion of gold and silver in this colony compared with her sister colonies does vary according to the price of bills of exchange in the

[1] *Am. Archives*, 4th series, 2d vol., p. 845.

[2] *Am. Archives*, 4th series, 2d vol., p. 1264.

several colonies (owing to the relative quantity of paper money circulating among them, their several debts, and the several balances of their trade) but that upon the whole there is a smaller proportion of gold and silver in this colony than in several others. That as to the mode of raising money for the exigency of our affairs it will be impossible to collect a sufficient sum without issuing a paper currency of some sort or other. That the neighboring colonies of *Connecticut* and *New Jersey* are indebted to this colony in very considerable sums. That in the prosecution of the measures necessary for our defence, large sums of the money levied or issued for that purpose must undoubtedly centre in this colony, as an exchange for the necessaries of life and other articles which this colony must furnish. That considering the two facts last mentioned, it follows clearly that this colony will at first possess a much greater proportion of the general paper currency than her sister colonies. That of consequence it is necessary that the utmost precaution be used to give the highest credit to such emission in order to prevent the depreciation of it. That it is also necessary the paper currency when emitted should be as much as possible general, that it may at once answer the purpose for which it is instituted, and with greater ease flow from one colony to another and preserve the commercial equality of money. That the emission of paper currency in any considerable quantity will necessarily tend to exclude from commercial circulation the gold and silver now current, either by sending it to *Britain* for payment of debts there, or by encouraging private persons to secrete it. That if the emission be very great, then exchange will undoubtedly rise, and consequently the paper money be depreciated. That therefore whether it be a currency or not, will depend upon the security which can be given for the repayment of it. That the gold and silver being excluded, as is above mentioned, a general paper currency will naturally supply the place of it, provided it can obtain a general credit. After premising these things, your committee proceed to observe that

a paper currency being necessary, there are but three modes in which it can be issued: *First.* That every colony should strike for itself the sum apportioned by the continental congress: *Secondly.* That the continental congress should strike the whole sum necessary, and each colony become bound to sink its proportionable part; or

Thirdly. That the continental congress should strike the whole sum and apportionate the several shares of the different colonies, every colony become bound to discharge its own particular part, and all the colonies to discharge the part which any particular colony shall be unable to pay.

Your committee observe upon the first mode, that if it be followed this colony may not perhaps be under the same necessity of receiving the emissions of any colony which may appear unable to sink the money issued by it, as in the other instances; that therefore there may not on that account be the same danger of subjecting this colony to the risk of losing moneys issued by its neighbors and circulating within this colony. That nevertheless it is highly probable the debts due to this colony will be eventually paid by the paper money so issued by the colonies of *Connecticut* and *New Jersey*, or that such money confined within the bounds of these colonies will be so depreciated that persons in trade who are possessed thereof will be rendered unable to pay their debts in any other way. That your committee have great reason to believe that emissions of those colonies will be depreciated in such manner by reason of the doubts which will arise in men's minds about the sinking of them, wherefore a very considerable loss will happen to this colony from receiving such money. That your committee nevertheless are of opinion that in order to answer the purposes of striking such paper money in these colonies it will be necessary for this colony and all others to give a general credit to every emission. Your committee do therefore disapprove of the first mode because they conceive that moneys issued in that way will not have the necessary general credit

aforesaid, but that this colony in particular will be under the necessity of receiving very considerable sums of money from the colonies of *Connecticut* and *New Jersey*, which those colonies may not be able to repay: if so, that then the circulation of such money in this colony will prevent the future admission of gold and silver and consequently raise the par of exchange between this colony and Great Britain so as greatly to distress the general commerce of this colony, besides the loss which must be sustained by those individuals who become possessed of such depreciated moneys.

As to the second mode your committee observe that it will give much greater credit and currency to the moneys so issued than the first, and consequently will better answer the ends for which it is designed. That such credit and currency will also in a great measure prevent the accumulation of it in this colony, and dissipate it through those channels of trade in which the gold and silver now flow, so as to preserve the commercial equality of money above stated. That nevertheless your committee are of opinion that if any default shall happen in sinking the money issued by this mode such default will be made by the adjacent colonies of *Connecticut* and *New Jersey*, or one of them, and that therefore although there are greater advantages attending this mode than the former, yet it is subject to all the same inconveniences with respect to this colony.

Your committee do now observe upon the last mode that it will be attended with the advantage of higher and more universal credit than either of the former and consequently as to the general cause will best answer the great end of its institution. That this advantage is attended with a very great disadvantage as to this colony, because this colony may by that means be subjected to the payment of her own proportion and also to a proportion of the part of such colony as may become bankrupt by her over-exertions in this controversy. Your committee, however, do conceive that if any colony or colonies shall be deficient in this respect it will most probably be

those which are immediately adjacent to this. That the greater part of the moneys designated for them to refund will necessarily circulate in this colony, and therefore in it the deficiencies which shall so happen will be most sensibly felt. That in such case if the colonies are generally pledged for each other and do severally perform their engagements, then this colony will be greatly relieved by sinking a part thereof in *Pennsylvania*, *Maryland*, *Virginia*, &c. That if such engagements are not performed, this colony will not be in a worse condition by this than by either of the other modes, but continue precisely in the same predicament.

Before your committee determine their choice they pray leave to observe, that there are only two obstacles to an emission of paper money:

First, to give it an immediate and ready currency:

Secondly, to provide ways and means for sinking it.

As to the first your committee observe that if the continental congress shall strike a paper currency they have no doubts but that it will be very readily received throughout this continent: yet they have very great doubts whether the same determination ought to be made with respect to moneys issued by a lesser authority. As to the second point, your committee observe, that whenever a paper currency has been emitted and obtained a general credit, it will be a new bond of union to the associated colonies, and every inhabitant thereof will be bound in interest to endeavor that ways and means be fallen upon for sinking of it. Now therefore since moneys issued in the last of those three modes above mentioned will afford higher security to those who receive them, and in consequence obtain a more ready general and confidential circulation, your committee do approve of that mode. First, because it will most effectually answer the end of its emission; secondly, because most probably this colony will not be burdened with so great a proportion of it; thirdly, because the other colonies will be more deeply interested in preventing its depre-

ciation; and fourthly, because the losses to be apprehended by this colony will be alleviated by the participation of others.

If this plan should be adopted then your committee are of opinion that it will be necessary the moneys issued should on one side have some general device, and the moneys proportioned to any particular colony have the arms, signature, &c., of such colony on the other side; and that the proportion now established be stated as a fixed proportion to estimate in case of deficiency in one colony the aids of the others."

The arguments of the report were cogent, but the plans, up to the third day of June, were evidently not yet matured. At that time the [1]New York delegates wrote to the provincial congress that they were much pleased with their scheme for raising money, although they had doubts as to its being adopted: but that as the reasons on which it was founded were conclusive, they would use their best endeavors to carry it through: that it was proper the matter should be kept for the present a secret. That very day[2] congress resolved to borrow six thousand pounds for the defence of America, pledging for its repayment the faith of the colonies: the money was designed for the purchase of gunpowder for the continental army, and the Pennsylvania delegation were appointed a committee to carry into effect the resolution. The desire of borrowing so small a sum, which even if obtained would have been of but very slight assistance, shows conclusively the reluctance of congress to use its paper credit. Sixteen thousand dollars were afterwards, by resolution of congress (August 1), or-

[1] *Am. Archives*, 4th series, 2d vol., p. 898,

[2] *Secret Journal Congress*, vol. 1.

dered to be repaid to the Pennsylvania delegation for the sum thus obtained.

The colonies continued to press on the attention of congress their necessities for money, for loans and for supplies. They "had stretched their own public faith as far as it would go, and the pledge of a future fund to be hereafter devised had been trusted to its full value."[1] Their representations seem at last to have wrought on congress a knowledge that their constituency, whether for well or for ill, desired a continental paper currency which should be equally current in all the colonies; the following Monday, June 12th, appears from a letter of the New York delegation,[2] to have been fixed upon for the consideration of the propriety and expediency of such emission.

On the 17th of June[3] Mr. Duane writes: "Your great complaint of the want of money, will, I hope, be soon removed. For your present satisfaction we have obtained leave of the congress to inform you that the general committee of the whole body have reported a resolution to emit in continental paper currency a sum not exceeding the value of ten millions of Spanish dollars, for the redemption of which all the colonies are to be pledged. We hope soon to furnish you with the particulars of this important transaction."[4] No notice appears on the journals of congress, either public or private, of any such intention, until the twenty-second day of June, 1775,

[1] *Am. Archives*, 4th series, 2d vol., p. 1281.

[2] *Am. Archives*, 4th series, 2d vol., p. 954.

[3] *Am. Archives*, 4th series, 2d vol., p. 1016.

[4] *Vide* also *Washington's Letters*, edit. Sparks, vol. iii, p. 6.

when it was resolved, agreeably to the information conveyed in the foregoing letter, to issue a sum in bills of credit for the defence of America, not to exceed two millions (2,000,000) of Spanish milled dollars, pledging for their redemption the faith of the twelve[1] confederated colonies. On the next day some of the minor particulars of bills were agreed upon, and a committee consisting of John Adams, John Rutledge, James Duane, Benjamin Franklin, who most probably was one of the prime movers in the matter, and James Wilson, was appointed to have the proper plates engraved, procure paper, and make arrangements for printing the notes, which were to be in denomination from one to twenty dollars, and in form as follows:

"CONTINENTAL CURRENCY.

"No . Dollars.

"This Bill entitles the Bearer to receive Spaniſh "milled dollars, or the value thereof in Gold or Silver, accord- "ing to the reſolution of the Congreſs, held at Philadelphia, on "the 10th day of May, A. D. 1775."

R. Bache, Stephen Paschall, and Michael Hillegas were appointed to superintend the press and to have the oversight and care of printing the bills.[2]

But a mere committee of superintendence, chosen from the members of congress, upon whose time more engrossing calls were made, and upon whom more weighty duties rested, could not satisfactorily or rapidly enough administer the governmental funds. Accordingly, after

[1] *Georgia* was not yet represented.

[2] *Jour. Congress*, July 21.

an additional issue to the amount of one million of dollars had been ordered,[1] Michael Hillegas and George Clymer[2] were appointed the joint treasurers of the United Colonies. The original intention had been that the members of congress should sign the bills, but it was seen that too much invaluable time would have been uselessly wasted if the project was carried out. A committee of gentlemen, who were not thus officially disqualified, was appointed for that purpose: two were to sign and number each note, and as fast as completed to hand them over to the continental treasurers, and to receive for their compensation one and one-third dollars for every thousand bills so signed and numbered. The persons appointed to this duty were well known citizens of Philadelphia, whose names will be found in the Appendix (B) to this work. The notes themselves are remarkable as specimens of the progress which the art of engraving had made at that time in this country, and with those subsequently issued will be found fully treated of in the Appendix (C).

In issuing these notes the expectation of congress was that the individual colonies would lay the proper taxes for their ultimate extinction. An assessment was prepared, based upon the supposed population of the colonies, in order to distribute equitably among them the quotas required from each: this scale was to be afterwards settled when a correct list of each colony should be obtained.

Georgia is not included in the assessment, as she had not yet linked her fortunes with the rest of the colonies.

[1] *Journal of Congress*, July 25, 1775.

[2] *Journal of Congress*, July 29, 1775.

New Hampshire was rated at			$124,069½
Massachusetts Bay	do		434,244
Rhode Island	do		71,959½
Connecticut	do		248,139
New York	do		248,139
New Jersey	do		161,290½
Pennsylvania	do		372,208½
Delaware	do		37,219½
Maryland	do		310,174½
Virginia	do		496,278
North Carolina	do		248,139
South Carolina	do		248,139
			$3,000,000

The payments of these sums were to be made in four annual equal instalments, the first being on or before the last day of November, 1779, and the last on or before the last day of November, 1782. And that for this end the several provincial assemblies or conventions should provide for laying or levying taxes in their respective provinces or colonies, towards sinking the continental bills. That the bills should be received by the collectors in payment of such taxes, and be by the collectors paid into the hands of the provincial treasurers, with all such other moneys as they may receive in lieu of the continental bills; which other moneys, the said provincial treasurer were to endeavor to get exchanged for continental bills, and where that could be done should send to the continental treasurers, the deficiency in silver or gold, with the bills, making up the quota to be sunk in that year, taking care to cut, by a circular punch

of an inch diameter, a hole in each bill, and to cross the same, thereby to render them impassable, though the sum or value was to remain fairly legible. "And the continental treasurers, as fast as they receive the said quotas, shall with the assistance of a committee of five persons to be appointed by the congress, if sitting, or by the assembly or convention of the province of Pennsylvania, examine and count the said continental bills, and in the presence of the said committee burn and destroy them. And the silver and gold sent them to make up the deficiencies of quotas, they shall retain in their hands until demanded in redemption of continental bills that may be brought to them for that purpose, which bills so redeemed they shall also burn and destroy in presence of the said committee. And the said treasurers whenever they have silver or gold in their hands for the redemption of continental bills, shall advertise the same, signifying that he is ready to give silver or gold for such bills to all persons requiring it in exchange."[1]

Such were the pains taken to anticipate any surplusage of revenue and to keep up the credit of the notes: steady search does not however reveal to us a single advertisement of the nature set forth in the above resolve.

At the outset it was hoped that the debt thus about to be created would be but small, would have ample provision made for its redemption and therefore suffer no depreciation. One project for keeping the bills at par, proposed by Dr. Franklin, was of letting them bear interest; this however was overruled,[2] though it probably would not

[1] *Journal of Congress*, July 29, 1775.

[2] *Franklin's Works*, Philadelphia, Duane, 1809, vol. vi, p. 353.

if adopted, have answered the purpose intended. But the states were in no condition for taxation, and could not and did not respond to the call of congress.

Far from withdrawing their own circulation and permitting the issues of congress to be their only currency, nearly all of the states were driven to emit their own bills of credit, in many instances in large amounts, which fearfully clashed against the continental notes.

The battle at Breed's hill had taken place, and it was seen how fallacious were the hopes of a peaceful solution of the question. It is asserted[1] that the news of the battle on its arrival at Philadelphia exercised an influence on causing this emission; the news arrived on the twenty-second of June as stated, but as the matter of the issue of paper money had been long previously considered in committee and *agreed upon* at last ten days before,[2] the statement cannot be considered as substantiated.

With this sum of three millions of dollars it was purposed to combat the inexhaustible revenues of Britain. It would almost provoke a smile to consider how long this petty amount would last or how far it would go towards the support of any one army. The various colonies issued their paper money in large amounts in support of their troops; from Massachusetts to Georgia none had neglected this device.

To preserve the credit of the continental paper money Rhode Island was the first to act. In August,[3] 1775, the

[1] Breck.

[2] *Washington's* and *Duane's Letters, before quoted.*

[3] *American Archives*, series 4, vol 3, p. 232, *et seq.*

assembly declared such money to be a legal tender in payment of all debts, and protected it from counterfeits in the same manner with its own issues; it also resolved that any person who refused such money ought to be considered an enemy to the credit, reputation and happiness of the colonies, and wholly destitute of the regard and obligation he was under to his country; that he should be looked upon as wanting in zeal to the cause of liberty which he was so deeply engaged to defend, and should be debarred from all communication with good citizens.

But even this sum of money, small as it was, could not without difficulty be brought into circulation: in August, after the adjournment of Congress, although the bills had been ordered nearly two months, there was not yet sufficient money signed to answer the more pressing calls upon the treasury.[1] The signers neglected or refused to attend to their duties, and the concurrent testimony of observers is that the bills did not come into general circulation before the middle of this month, and even then in no great quantity.

Congress reassembled on the 5th day of September, and on the 13th, the delegates from Georgia took their seats. The whole of the colonies were now united in their opposition to tyranny. Among the earliest matters to attract their attention were the preparations for the invasion of Canada. On the sixth day of October the treasurers were directed to obtain for the use of that expedition fifty-three thousand two hundred dollars in specie by exchang-

[1] *Am. Archives*, series 4, vol. 3, p. 10. N. Y. delegation to Prov. Congress Aug. 2, 1775.

ing for it continental currency: on the tenth, six thousand three hundred and sixty-four pounds Pennsylvania currency, in gold and silver, equal to sixteen thousand nine hundred and seventy and two-thirds dollars[1] were sent to General Schuyler under escort of four of the Philadelphia light horse.[2] At the same time some of the expenses incurred in the preparation of the bills of credit were liquidated; David Rittenhouse received for thirty-six cuts[3] for the notes the sum of forty-eight dollars. He probably only acted as the agent of the congress in procuring them to be engraved.

The maxims and devices of the notes are said[4] to have been the joint composition of Benjamin Franklin and of Charles Thomson, aided by the classically educated of the members of congress; this assertion lacks proof, although the homely and patriotic nature of the sentences might seem to point of itself to the hand of Poor Richard as their author. Perhaps as that distinguished individual actively encouraged the issue of paper money, by the congress, this may be the case. "Knowing how naturally men allow themselves, to be guided by words and images,[5] they caused the bills to be decorated with great care;" a re-

[1] *Secret Journal Congress*, vol. 1.

[2] This organization, then as in later times, one of high distinction, which enjoyed subsequently the honor of being General Washington's body-guard, still survives in Philadelphia, and is known as the First City Troop. Its history was privately printed some years since, but is unfortunately for general readers not easily accessible.

[3] See *Appendix* C.

[4] Breck.

[5] Botta.

mark, which, although made with reference to the sword in hand notes of Massachusetts, is equally true in its general application to those now under notice. "Decorated with these fine maxims," says Breck, "congress sent forth this cheap defence of the nation."

Anxious to know whither they were drifting, congress took into consideration on the sixth of November the state of the treasury, and appointed Messrs. Nelson, Deane, and Cushing a committee to examine into the public funds and to report an estimate of the likely to be increased debt to the first of June (1776). Their powers were afterwards[1] extended to the procuring of a paper for a subsequent emission of bills of credit.

The getting into circulation the trivial three million dollars already authorized was still attended with delay[2], and the delegates from Pennsylvania were desired to call on the gentlemen appointed for that purpose and entreat them without delay to complete that business. The project of a new emission of paper money also began to attract the attention of the congress, and although the measure was strenuously opposed by Dr. Franklin, who thought it would be preferable for them to borrow back their own notes at interest, rather than add to the mass of paper in circulation[3], it was resolved on the 29th of November, to issue an additional sum of three million of dollars.

A new cause of anxiety was arising. The issue of these bills has been compared to the free gift by the people, of

[1] *Jour. Congress*, Nov. 8, 1775.

[2] *Jour. Congress*, Nov. 10, 1775.

[3] *Franklin's Works*, edit. Sparks, vol. viii, p. 328, Letter to S. Cooper.

so much hard money; scarcely two months in circulation, the germ of the utter dissolution whicha waited their credit began to manifest itself. Without the popular support the money would be worthless, and even of this congress seemed about to be deprived.

On the seventh of November[1] the Philadelphia committee of safety received information that certain of the inhabitants of that city were refusing the continental bills; their pretext being that as the notes were issued for war purposes, the members of the Society of Friends could not conscientiously receive them.

The pretext was shown to be futile, as before the revolution they would as readily accept bills issued for such purposes as for any other. Alarmed at the prospect, the committee reported the matter to congress[2] who appointed several members to investigate the matter and report thereon; this was done, but no definite action was for some time taken.

The new issue of paper money was ordered to be printed[3] from the plates used in striking the last issue and was to be under the same superintendence; new signers were to be discovered and reported to congress.

The form of the notes[4] was to be substantially the same except in some minor details as that of the prior creation; the date was to be that of the present resolution by which they were ordered, November 29, 1775.

[1] *American Archives*, series iv, vol. iii, p. 1388. See *Appendix (E)*.

[2] *Journal Congress*, November 23, 1775.

[3] *Journal Congress*, November 5, 1775.

[4] *Journal Congress*, December 5, 1775.

It was soon seen, that, during the recess of congress, contingencies might arise which would require a prompt action; provision was made by the resolve to appoint a committee[1] who, during such interval, should superintend the treasury and carry on all needful provincial affairs. Subsequently,[2] congress agreed to the following preamble and resolutions:

"*Whereas*, Estimate hath lately been formed of the public expense already arisen and which may accrue in the defence of America, to the tenth day of June next, in pursuance whereof this congress on the twenty-ninth of November resolved that a further sum of three millions of dollars be emitted in bills of credit.

Resolved, That the thirteen united colonies be pledged for the redemption of the bills of credit so directed to be emitted."

They also directed the colonies to provide ways and means for the redemption of their respective quotas of the bills, according to the number of inhabitants in each: and to pay the sums to the continental treasurer in four equal amounts at times beginning from the last day of November, 1783; a full year after the redemption of the issue ordered at the last session of congress, and ending on the last day of November, 1786. All the regulations of the prior resolution of July 29th, in relation to the redemption, exchange and destruction of the bills were herein reënacted.

The expedition against Canada still claimed the attention of the body. It had been found by experience that

[1] *Journal of Congress*, Dec. 13, 1775.

[2] *Journal of Congress*, Dec. 26, 1775.

the inhabitants of that province, however well disposed they might be to the cause of the colonies, were nevertheless very unwilling to receive their paper money, which might lead them to complications with their own government and perhaps eventuate worthlessly. To preserve as far as possible a good understanding with these people was the desire of the generals in command and the instructions under which they labored.[2] Montreal had submitted to the Americans about the middle of November. The addresses of congress to the Canadians had at best but rendered them lukewarm: but little effect could be expected from them upon a people who were for the most part so ignorant as not to be able to read. The armies lacked provisions and supplies of all kinds: disease and weather rapidly desolated their ranks. It was essential to preserve the show of good feeling towards the natives: but yet they would not part with their commodities except for ready money. Congress had from time to time sent to them such hard cash as they could collect and on the last day of the session[3] ordered all the gold and silver in the treasury to be immediately sent to General Schuyler, and authorized brokers for that purpose to procure gold and silver in exchange for continental bills.

The close of the year 1775, found American affairs looking very inauspicious for the cause of the revolted colonists. The assault on Quebec had failed, and the northern

[1] *Letter General Schuyler*, Montreal, Sep. 24, 1775, *American Archives*, 4th series, vol. iii.

[2] *Canada and the Continental Congress*, an address by William Duane before the Historical Society of Pennsylvania, Jan. 31st, 1850.

[3] *Journal of Congress*, Dec. 30, 1775.

army having lost its general, the accomplished and lamented Montgomery, was obliged to convert itself into a blockading force. The British army in Boston were feebly beseiged by that of the Americans under General Washington: an ill-provided, ill-disciplined and unhealthy host. The British government were endeavoring to procure mercenaries for the Spring campaign, and news of their success reaching congress aroused them to a more determined spirit of resistance; the idea of independence gained more friends. The estimates and calculations made by congress had been under the idea that the war would be "short, sharp and decisive:" the finances of the country were only taken into consideration to the tenth day of June next ensuing, or a year from the meeting of the body. The confidence of the people became more and more shaken in the prospect of the payment of the continental money as the unfavorable news from Britain reached America. The disaffection spread[1] and constantly were the committees of safety engaged in punishing those who manifested their distrust of the currency by their refusal to receive it; combinations[2] were alleged to have been formed to discredit it. The various assemblies and conventions, by all the means in their power, endeavored as strenuously to keep up its credit.

To this end congress itself, on the eleventh day of January, 1776, took into consideration the report of the committee on the bills of credit,[3] and came to the following resolution:

[1] *Am. Archives*, 4th series, 4th vol., passim.
[2] *Am. Archives*, 4th series, 4th vol., p. 1284.
[3] *Journal of Congress*, 1776.

"*Whereas*, It appears to this congress that several evil disposed persons, in order to obstruct and defeat the efforts of the United Colonies, in defence of their just rights, have attempted to depreciate the bills of credit emitted by the authority of this congress.

Resolved, Therefore, that any person who shall hereafter be so lost to all virtue and regard for his country, as to refuse to receive said bills in payment, or obstruct and discourage the currency or circulation thereof, and shall be duly convicted by the committee of the city, county or district, or in case of appeal from their decision, by the assembly, convention, council or committee of safety of the colony where he shall reside, such person shall be deemed, published and treated as an enemy of his country, and precluded from all trade or intercourse with the inhabitants of these Colonies."

These resolutions were ordered to be published, to intimidate the enemies of America and to encourage the lukewarm.

A sum had been ordered to be struck to replace the bills which had become worn and mutilated.

Among the expedients suggested to preserve the credit of the currency we find that of seizing all the plate on the continent and giving in exchange continental paper money. Governor Tryon writes to the Earl of Dartmouth to that effect, and also adds: "This robbery is to insure the circulation of that fraudulent currency as well as to furnish resources for future occasions."[1]

The plan does not seem to have been adopted further

[1] *Documents relating to the Colonial History of New York*, vol. viii, p. 808.

than the asking of such voluntary contributions. Associations were formed in the states to preserve the credit of the currency: subscriptions were taken up, each person signing them binding himself to receive in exchange when called upon continental money for specie to the amount which he placed against his own name. The rulers set to the score of disaffection the natural results of ignorant financiering.

The pressure for money from the Colonies and the wants of the armies became day by day more urgent. After the appointment[2] of Messrs. Duane, Smith, Gerry, Nelson, and Willing as a permanent committee of superintendence of the treasury and its operations, a new issue of four million dollars was resolved upon. To give the bills a better chance of currency and to assist the people with small change in place of the silver which the exigencies of the times had driven out of circulation, one fourth of this sum was struck in bills of fractions of a dollar, viz: one-sixth, one-half, one-third and two-thirds.

Ten millions of congress dollars were now ranging through the states: the whole specie of the colonies was only originally twelve millions of dollars: the knowledge of the uncertainty of the currency still increased. The military operations continued unsuccessful or indecisive.

In the natural way the notes would soon enough have lost their value, but outside causes were not wanting. But now a short space from their creation they had already become the prey to counterfeiters. The matter had for some time claimed the attention of the New York provin-

[1] *Journal of Congress*, Feb. 17, 1776.

cial congress, as within their jurisdiction the head quarters of the offenders seemed to be. Cold Spring,[1] on Nassau Island, was the place where resided a number of persons engaged in this felony: one Henry Daukins apparently the chief offender. The circumstances of the information, arrest and examination of the culprits will be found in full elsewhere[2]: sufficient it is for the present purposes to note their capture. The Jersey delegation, on the 30th of April, presented to congress a number of the counterfeits: horror-stricken they must have been, as one whose feet have been planted in a treacherous quicksand whence they could not be extricated; they appointed a committee to consider and report upon the matter. Messrs. McKean, Livingston, Sherman, Adams, Braxton, and Duane, were the members chosen.

The Northern Army still drained the congress of its hard money: the treasurers were ordered to prepare and report an account of the gold and silver in the Treasury,[3] and subsequently[4] a committee was appointed to determine the rates at which specie should be current, and the proportions they should bear to Spanish milled dollars. In the eyes of congress a Spanish milled dollar and a continental one were synonymous and controvertible terms: at least that they should appear so was their vehement desire.

The first anniversary of the battle at Lexington had passed away and that of Bunker Hill was drawing nigh.

[1] *American Archives*, 4th series, 5th vol., p. 1497, *et seq.*

[2] *American Archives*, 4th series, 5th vol., p. 1497, *et seq.*

[3] *J. C.*, March 18, 1776.

[4] *J. C.*, April 19, 1776.

The estimates for the fiscal year, as has been already mentioned, were only calculated to the tenth day of June: that time was rapidly expiring. Loans were of no assistance: voluntary subscriptions were in vain. On the sixth of May[1], it was resolved to raise ten millions of dollars for the purpose of carrying on the war during the current year: on the report of a committee appointed to devise the ways and means, a further issue of bills of credit to the amount of five millions of dollars,[2] being only one-half the sum required by the above statement, was authorized. The Tory element vented its dissatisfaction against this magical creation of money in much satirical poetry: the congress and their bills of credit came in for a full share.

"Knave after knave, as easy we could join,[3]
As new emissions of the paper coin."

A fair specimen of the poetic abilities opposed to American Independence.

"With freeman's rights they wanton play:
At their command we fast and pray:
With worthless paper they us pay;
A fine device of congress."

About this time begins the history of the depreciation, although Franklin, Jefferson, and Webster, point to a period some months later. But the proof will be undeniably shown that before the month of June, or certainly at that period, the paper money was no longer considered equal to specie. On the fourth day of that month the

[1] *Journal Congress, May*, 6, 1775.

[2] *Journal Congress, May* 9, 1775.

[3] *Loyalist Poetry of the Revolution*, J. F. Fisher and Winthrop Sargent, p. 28.

Virginia convention appointed a committee to inquire into and report on the causes of the depreciation of the continental paper money[1]: in Philadelphia an act was performed which should forever stand as a rebuke to theoretical patriots and as a monument of generosity. Some of the privateers fitted out against British commerce had brought to the city upon their prizes twenty-two thousand dollars in specie:[2] this sum Colonel Roberdeau on behalf of the owners hastened to offer to the continental congress in exchange for their bills of credit.

That body accepted the offer, and its thanks must have been sincere for the timely aid thus afforded them, but which, however it might delay, could not check the rushing tide of the fates. As swiftly as the waters rise in the Bay of Fundy, so vehemently was public credit driving to destruction: and those who incautiously stood gazing at the approaching flood, relying too much on honor, honesty, and a good cause, were overwhelmed in its course. The letter of the President is worthy of being transcribed here.[3]

Philadelphia, June 13, 1776.

GENTLEMEN: I am directed by Congress to inform you that the offers made by the owners of the hard money taken on board their prizes is accepted and that you will

[1] *American Archives*, series iv, vol. vi.

[2] *Journal Congress*, June 12, 1776.

[3] *American Archives*, series iv, vol. vi.

In the *Remembrancer*, of Christopher Marshall (edited by W. Duane, Philadelphia, 1839), we find that the names of these vessels were the Congress and the Chance; their prize consisted of $22,420 in specie, and one hundred and eighty-seven pounds of plate.

please to apply to the men for the moiety belonging to them. Should the men consent to let congress have their share I will immediately give drafts on the Treasury for the amount. * * * * I beg leave to thank you and the rest of the donors, for the example of public spirit which you have in the most unsolicited manner shown upon this occasion.

Such were the feelings of admiration for liberty and of willingness to endure all things to achieve it, which burned within the hearts of the patriots of that day!

In addition to the authorized emissions of paper money by the respective Colonies, private issues of tokens, certificates, &c., for small change, got up by individuals on their own private accounts, arose to hamper and still more debase the governmental currency. In New York it drew forth from the committee of safety[1] a resolution not to receive such money and to warn the people not to use them; in Virginia[2] a legislative enactment made it a penal offence to issue or receive such tickets. The rest of the Colonies doubtless took a similar action.

The British had evacuated Boston, the operations of Washington's army having proved too vigorous for them any longer to encounter. Their destination however seemed to be an uncertainty. Whether New York was threatened or some other point, was more than was in the power of the American general to determine. A new expedition against Canada had met with a disastrous over-

[1] *Am. Archives*, 4th series, 6th vol., p. 996.

[2] Vide *History Va. Paper Currency* in prior volume.

throw in Les Cedres; the Americans had been forced to withdraw into the States, followed by General Burgoyne and his army. On the other hand, in the South, success had crowned the efforts of the Colonists. The royal governor had been driven away from Virginia, and had been worsted in North Carolina: while in South Carolina the repulse of the enemy by the troops at Fort Moultrie and the other defences of Charleston created an imperishable monument, *ære perennius*, to the zeal and vigor, courage and patriotism of that province. The thanks of congress were well bestowed upon the gallant defenders.

America was in a strange situation: almost anomalous until that period.[1] Waging war against the throne, its authority was still nominally considered paramount, and the name of the King still reigned in the tribunals of justice, and his health and prosperity were prayed for in the churches by those who were obstinately bent upon destroying his power and curtailing his happiness. But one similar example presents itself to view, drawn likewise from the growth of an independent nation from a subject state. When William of Orange surnamed "the silent," was waging his war against the outrageous persecution of Philip of Spain, the second monarch of that name, in all his public acts he declared himself to be acting only as the deputy and vicegerent of that potentate: his proclamations and manifestations of authority all appearing to flow from the same source, and in his creation of a puppet prince, forced on him by England, he made the same declaration of acting as stadt-holder for the Iberian sovereign.

[1] Botta's *American War*, vol. 1.

The idea of independency grew more in favor among the people. Starting from Massachusetts, aided by the arguments of the most powerful writers of the day, and in no small measure by the celebrated work called *Common Sense*, by an equally well known man, Thomas Paine, the "German charm called independence" began to be a settled fact: an end, to which the inflexible resolution of King George and his evil counsellors at all hazards to bend and subjugate the obstinate colonists to a full acquiescence in their will, whether for good or for evil, forgetful of the bad results which in biblical times had happened to a similarly ill-advised potentate, Jeroboam, contributed in no slight degree.

Freedom from England had been declared with enthusiasm throughout the land; the British troops were arriving at Sandy Hook below New York,[1] and the plot to assassinate General Washington and his staff officers, to blow up the magazines and surrender that city on the arrival of the fleet, had been frustrated. Troops were ordered from Pennsylvania into the Jerseys, and the army of Washington was moving to protect the threatened point. To oppose them was the most powerful, best disciplined and best equipped army ever seen in America; while the stimulus of posessing so vital a spot as the city of New York, whence they might be able to turn at will their fury on either the Northern or Southern states, gave an additional power to this force, already in numbers too great for the Americans to hope to cope with successfully. The struggle terminated in the battle of Long Island, fought on the 27th of August.

[1] Marshall's *Remembrancer*, edit. by William Duane, Philadelphia, 1839.

But all these scenes of perilous import drifting before the eyes of congress did not divert them from their other duties. On the 22d of July five millions of dollars were ordered to be issued, and subsequently[1] they could even have the coolness under such unfavorable circumstances to inquire into the cause of the failure of the Canada expedition, which was largely attributed to the want of hard money. Soon after,[2] Mr. Clymer, one of the continental treasurers, took his seat in congress as one of the delegates from Pennsylvania, and resigned his former position: it was therefore resolved that for the future the post of continental treasurer should be executed by but one person. At the present time this was Michael Hillegas. In Julythe Virginia convention[3] had made the continental bills a legal tender and protected them from counterfeiters; an action soon similarly taken by New Hampshire[4] and New Jersey.[5]

The disasters to the American cause continued to act in destroying the confidence in the bills: the committees of safety were constantly occupied in denouncing those who refused to receive them: the gazettes teemed with elaborate essays to prove the redemption which must await them. A writer, under the signature of *Conti*, presents the following address to the people of Pennsylvania.[6]

[1] *Journal of Congress*, July 30, 1776.

[2] *Journal of Congress*, August 6, 1776.

[3] *Am. Archives*, series 4, vol. vi, p. 1615.

[4] *Am. Archives*, series 5, vol. 1st, July 6, 1776.

[5] *Am. Archives*, series 5, vol 1st, August 17, September 20, 1776.

[6] *Am. Archives*, 5th series, 1st vol, p. 430.

"*Philadelphia, September* 21, 1776.

It has been said that many timid people begin to be apprehensive for the fate of the Continental Currency, and are vesting it with great expedition in lands and certainties of various kinds: for, say they, should the forces of Great Britain prevail over the Colony troops, the currency will be totally abolished by the conquerors, and the possessors will sink the whole. Surely those who thus reason, are but little acquainted with the movements of Government, neither are they aware of the injury they do their country: for by such conduct, they immediately effect, in part, the evil they wish to avoid. When paper money circulates in the common course of trade, its value gradually rises and falls according to its quantity, when relatively considered with the value of the real effects of a country, such as houses, lands, provisions, gold, silver and merchandise of every kind: for though paper merely has not any significant value in itself, and has only such nominal value as we place upon it, a single dollar bill being as large as an eight dollar bill, yet as by general consent we agree to receive and pass *this* as *one* and *that* as *eight*, so long as this mutual confidence and resolution continues, they are to all intents and purposes of as much real worth as so much actual gold and silver, which are of themselves of no other absolute value than what mankind have been pleased to fix on them. The *Mexican Indians* found iron of vastly greater use than gold, and freely exchanged one for the other till they learned by fatal experience that the Eastern world preferred gold at the risk of life, honor, and their boasted religion.

Paper bills are with respect to the public what private bonds and notes of hand are amongst individuals — mere promissory notes: and so long as the grantor is good and sufficient they will bear a very safe assignment: for he that receives an eight dollar bill in payment, does in fact only receive an assignment of a continental promissory note, which at some future day is to be paid off. It must be granted that the issuing large sums will gradually decrease the value of the emission in the same proportion as the introduction of an over quantity of any article of merchandise would effect its price and sale: but as this decrease in value can never instantaneously take place, the trader by keeping his money in a constant circulation will gradually raise the price of his commodities in proportion to the decreased value of the money, and thereby always keep fairly and safely above water. * * * *

But as the necessities of our unhappy contest still call for large and continued emissions of paper money, it becomes absolutely necessary for every cash holder to push it into trade. * * * * *

If the whole continent, upon an extensive view of the matter, are unequal to the conflict, the suffering must be individually felt, and nothing will so effectually support us, as steadily and resolutely extending our trade to the utmost limits it will bear.

It is a grand continental experiment we are trying, and nothing but the experiment itself can determine the expediency: we are not to look on our present situation as a matter of choice but necessity: we have got into a labyrinth and must get out of it as well as we can. If by giving a

general credit to our money and forcing a trade, we should weary out Great Britain, or involve her in a war with some of her European neighbors, we may then take our own time to pay off the debt we have been contracting, and every year will restore the currency nearer to its original value. To what extent a country may venture to run itself in debt, is a question beyond my abilities to solve: whether a community and an individual may with propriety be compared, I cannot pretend to determine, but if the comparison would hold, I should say that as an individual has a right to spend or run in debt to the exact amount of what he is worth, without injury to his creditors, so may a community: if this be true it may be easy to determine how much farther we may safely go.

The present value of all the estates in America is about three million two hundred thousand dollars per annum, supposing the rated taxes to be on an average only one-sixth of the real annual value of the estates. * * * * If I am right in this estimate the whole present worth of America at twenty years purchase is sixty-four millions of dollars."[1] * * * *

The author proceeds to argue how unlikely it would be that England would, in case she conquered, destroy this paper currency as being issued in rebellion and for rebellious purposes: his argument being that such a total destruction of currency would ruin all the moneyed men of the colonies and so break down the trade with England which had proved so lucrative to the British merchants. The

[1] This value was subsequently corrected in the same paper by its author to $853,000,000, — by another to $300,000,000.

argument was meant to infuse courage into the timid: the defection of so many prominent Americans in despair of their cause,[1] acting as an additional impetus to the distrust of the currency already felt. What would "Conti" have thought could the veil which covered the events of five years have been thrown aside, and the end of the currency, whose ruin he thus deprecated as so baleful, have been disclosed to his eyes? No tumults, no ruin, but popular rejoicings[2] everywhere, when the paper ceased to circulate!

He furthermore considers that if Britain desired to punish the colonies she could do it in no better manner than by permitting this immense mass of debt to remain upon them, while the objects for which it had been incurred had proved illusory.

Upon this occasion the first financial essay[3] of Peletiah Webster was published. It is entitled "*An essay on the danger of too much circulating cash in a State, the ill consequences thence arising and the necessary remedies:*" and was published in the *Pennsylvania Evening Post*, of October 5th, 1776, over the signature of "A financier."

He remarks that the value of the free American states is rather immense than certain: and hence the fund on which the continental money depends should be able to bear a much larger amount than had been at that time issued: that as the debt was entirely due to its own citizens no harm could result. He proceeds to prove that the excess of any currency, of whatever nature, will inevitably

[1] Botta, vol. 1, book vii.

[2] *Jefferson's Works.*

[3] *Webster's Essays*, Philadelphia, 1791.

lead to its depreciation unless the redundancy is decreased by *destruction*, *exportation* or *calling it in by a tax* equal to the superfluity. In regard to its safety and redemption the argument proceeds:

"The Continental money is to be considered as a debt fastened on the person and estate of every member of the United States, a debt of great honor and justice, of national honor and justice, not barely *empty honor*, but that *essential honor and credit* in which the safety of the state is comprised, and therefore by confession of everybody must be punctually and honorably paid in due time; * * * otherwise nothing but shame, scandal and contempt can ensue, for which nothing but most inevitable necessity can be any reasonable excuse. But should we admit that we are on the verge of a depreciation, or that our currency has suffered some little already in its value, two consequences will follow which deserve great and immediate consideration: First, that a *speedy remedy* is absolutely necessary. * * * * * Second, that the remedy by this very means becomes more *easy and practicable* than it otherwise could be, for a tax will be paid much more easily in this case than it could be if money was in credit enough to be avariciously hoarded. * * * * Our currency may be lessened much easier when its credit is a little doubted than when it is at its highest."[1]

[1] However plain the necessity of a tax at that time to prevent the excessive increase of the Continental money may appear to us *now*, it was *then* not so clear; for after many debates in congress that measure was not adopted for a long time. I am told one member of congress rose during those debates with this exclamation: "Do you think, gentlemen, that I

Such was the public temper at that period: so sanguine even in the days of the deepest depression. Unwilling to increase the depreciating sum now circulating, congress resolved[1] to borrow five millions of dollars for the use of the United States at four per cent. interest, erecting for that purpose a Loan Office in each of the United States, and providing for the appointment of commissioners to superintend its operations in each state. A form was adopted to be given in acknowledgment to the lenders, viz.:

The United States of America acknowledge the receipt of dollars from, which they promiſe to pay to the ſaid, or bearer, on the ... day of, with intereſt annually, at the rate of four per cent.[2] per annum, agreeable to reſolution of the United States, paſſed the third day of October, 1776. Witneſs the hand of the Treaſurer the ... day of, A. D.

To be countersigned by one of the Loan Office Commissioners.

These resolves were ordered[3] to be published, and copies sent to each of the states, who were to report to congress the names of the commissioners appointed by them under this authority: at the same time the states were recom-

will consent to load my constituents with taxes when we can send to our printer and get a wagon load of money, one quire of which will pay for the whole?"—Webster's *Essays*.

[1] *Journal of Congress*, Oct. 3, 1776.

[2] Afterwards in 1777 raised to 6 per cent.

[3] *Journal of Congress*, Oct. 5, 1776.

mended to give the same legal protection to the Loan Office certificates as had already been afforded to the continental currency.

The scheme does not seem to have fully possessed the confidence of congress, for in a month a new project was essayed.

Acting upon an example previously often practiced in the colonies for municipal and private purposes, and in Great Britain itself, congress resolved to erect a lottery and directed the committee to prepare a scheme.[1] They accordingly reported on the 18th of November a project which although a little out of the order of time will be inserted in this place for the sake of coherency. It was resolved[2] that the lottery should consist of one hundred thousand tickets, each ticket to be divided into four billets of ten, twenty, thirty, and forty dollars respectively, and to be drawn in four classes. It was estimated that one million five hundred thousand dollars could be drawn into the continental treasury by this process, and as the tickets were to be sold for *ready money*[3] (which has been construed to mean *specie*,[4]) the amount thus realized would have proved considerable if success had awaited the undertaking. The "fortunate adventurers," as the holders of billets which had drawn prizes were wont to be termed, were to receive a treasury certificate for the amount to which they were entitled, less certain deductions and under conditions

[1] *Journal of Congress*, Nov. 1, 1776.

[2] Botta.

[3] *Journal of Congress*, Nov. 19th, 1776.

[4] Brock.

established by congress, payable by the united colonies at the end of five years with annual interest of four per cent. Besides the immediate effect of a revenue to the government it was hoped that an appreciation of the currency by the diminution of its volume thus resulting would take place. And yet while considering this matter[1] a new emission was resolved upon of five millions of dollars to be issued when congress should direct; of this sum five hundred dollars were to be speedily issued and in small notes in denominations of one-ninth, one-third, one-sixth and two-thirds of a dollar respectively. Strange as it may seem no vestiges of these notes remain: no further notice of them is taken on the Journal of Congress; in lists hereafter to be referred to, of paper money received, in which each individual kind of bill is specified, these do not appear; and persons throughout the expanse of our country who have made investigation into the subject can obtain no information relating to them. It is evident that for some reason unknown they were never sent into circulation: it is more than likely if the plates had ever been prepared for them some traces would remain. But none are to be found.

The depreciation of the bills was becoming more alarming: and the attention of congress,[2] was unpleasantly and forcibly called towards the circumstance. But the evil was really too great for palliation. In Pennsylvania, under the direct observation of the government, the discrediting of the notes was largely carried on: even continental officers

[1] *Journal of Congress*, Nov. 2, 1776.
[2] *Journal of Congress*, Nov. 9, 1776.

could not refrain from the traffic in specie,[1] an evil which was becoming daily more frequent. The Pennsylvania council took the matter into consideration and discovering in it a dangerous tendency to lessen if not entirely destroy the credit of the continental currency, appointed Messrs Rittenhouse, Biddle and Matlack[2] a committee to make proper representations on the subject to the board of treasury, to inquire into a fitting remedy, and to report thereon. Not alone in Pennsylvania but in others of the states[3] the same evil existed. In Massachusetts, by act of 3d December 1776, the notes were made a legal tender.[4] In New York similarly, those who refused them were punished.[5] The disaffection was spreading; an intercepted letter to Sir Gray Cooper gives us the following information:—"The congress paper bills are debased beyond the rate of one hundred: has greatly sunk in nominal value since the King's troops entered Jersey, and in many places in that province remote from the army is not current at any rate." Merchants hastened to convert their paper money into commodities, and instructed their agents to do the same. Even those high in military office under the continental government fell into the alarm, and Philemon Dickinson wrote to his brother, also a prominent citizen, the following letter which was intercepted and laid before the Pennsylvania council of safety.

[1] *Am. Archives*, 5th series, vol 3, p. 185.
[2] *Am. Archives*, 5th series, 3d vol.
[3] *Am. Archives*, 5th series, 3d vol.
[4] *Am. Archives*, 5th series, 3d vol.
[5] *Am. Archives*, 5th series, 3d vol.

"Receive no more continental money on your bonds and mortgages. The British troops having conquered the Jersies and your being in camp are sufficient reasons. Be sure you remember this. It will end better for you."[1]

The author of this letter never effectually denied having written it, but subsequently, in a long controversy which raged in 1782 and may be found in the *Freeman's Journal* of the earlier months of that year, endeavored to explain away its obvious meaning.

On the twelfth day of December congress adjourned to Baltimore, at which place eight days afterwards it reassembled. It had recommended to the citizens of Philadelphia to defend that important position, and General Putnam had taken command there. His general orders contain an allusion to the currency.

[2]*Philadelphia, December* 14, 1776.

* * The General commanding, to his great astonishment, has been informed that several of the inhabitants of this city have refused to take the continental currency in payment of goods. In future should any of the inhabitants be so lost to public virtue and the welfare of their country as to presume to refuse the currency of the American states in payment for any commodities they may have for sale, the goods shall be forfeited and the person or persons so refusing committed to close confinement.

ISRAEL PUTNAM, *Major General.*

[1] *Am. Archives*, 5th series, 3d vol. p. 1255.

[2] *Am. Archives*, 5th series, 3d vol. p. 1214.

Violent measures were continually resorted to, and stores closed, or pillaged: their owners fined or imprisoned. All things were done that an ill regulated patriotism could suggest. But in vain—every day the prospect grew more gloomy. Silas Deane and the other commissioners had not long since been sent to France, to negotiate for recognition and support: to them, on the 21st of December, Robert Morris,[1] writes in the most desponding terms of the financial situation.

* * * "I must add to this gloomy picture one circumstance more distressing than all the rest, because it threatens instant and total ruin to the *American* cause, unless some radical cure is applied and that speedily: I mean the depreciation of the continental currency.[2] The enormous pay of our army, the enormous expenses at which they are supplied with provisions, clothing, and other necessaries, and in short, the extravagance that has prevailed in most departments of the public service, have called forth prodigious emissions of paper money both continental and colonial. Our internal enemies, who alas! are numerous and rich, have always been undermining its value by various artifices, and now that our distresses are wrought to a pitch by the successes and near approach of the enemy they speak

[1] *American Archives*, 5th series, vol. iii, p. 1334.

[2] 1776. Oct. 28th. Wanted, by a gentleman fond of curiosities, who is shortly going to England, a parcel of congress notes, with which he intends to paper some rooms. Those who wish to make something of their stock in that commodity, shall if they are clean and fit for the purpose, receive at the rate of one guinea per thousand for all they can bring before the expiration of the present month. Inquire of the printer. N. B. It is expected they will be much lower.—*New York Gazette.*

plainly, and many persons peremptorily refuse to take it at any rate. Those that do receive it, do it with fear and trembling, and you may judge of its value even amongst those when I tell you that £250 continental money or 666⅔ dollars, is given for a bill of exchange of £100 sterling, sixteen dollars for a half johannes, two paper dollars for one of silver, three dollars for a pair of shoes, twelve dollars for a hat and so on: a common laborer asks two dollars a day for his work and idles half his time.

"All this amounts to real depreciation of the money. The war must be carried on at an expense proportional to this value, which must inevitably call for immense emissions, and of course still further depreciations must ensue. This can only be prevented by borrowing in the money now in circulation. The attempt is made and I hope will succeed by loan or lottery. The present troubles interrupt these measures here, and as yet I am not informed how they go on in other states, but something more is necessary: force must inevitably be employed, and I dread to see that day. We have already calamities sufficient for any country, and the measure will be full when one part of the *American* people is obliged to dragoon another at the same time that they are opposing a most powerful external foe."

Again, 23d December, he writes to the president of congress[1]:

Philadelphia, December 23, 1776.

"It is very mortifying to me when I am obliged to tell you disagreeable things: but I am compelled to inform con-

[1] *American Archives*, 5th series, vol. iii.

gress that the continental currency keeps losing in credit. Many persons refuse openly and avowedly to receive it: and several citizens that retired into the country must have starved if their own private credit had not procured them the common necessaries of life when nothing could be got for your money. Some effectual remedy should be speedily applied to this evil or the game will be up. Mr. commisary *Wharton* has told the General that the mills refuse to grind for him, either from disaffection or dislike to the money. Be that as it may, the consequences are terrible, for I do suppose the army will not consent to starve."

The situation of the Americans at the close of 1776 was really critical. On the 27th of December congress agreed to resolutions to the following effect: That General Washington should be vested with power to collect together troops, and to take wherever he might be, such provisions and stores, goods and commodities as he might want for the use of the army, if the inhabitants should not be willing to sell at a reasonable price: to arrest and confine persons who should refuse to receive the continental currency. The Council of Safety of Pennsylvania were at the same time requested to take most vigorous and speedy measures to punish all persons who refused the continental currency and to call for aid on the general commanding if it were needful in carrying out their measures.

These resolutions, together with the action taken by the committee of safety, were duly transmitted to General Washington. On the 31st of December the committee came to the following resolution:[1]

[1] *Pennsylvania Archives*, vol. 5th, page 147.

"In consequence of the foregoing resolve of congress and the intelligence received from several parts of this State, that the disaffected and enemies to the United States of America are practising the most dangerous schemes to destroy the credit of the paper money issued under the authority of congress, which wicked and mischievous practices are likely to be attended with pernicious consequences, unless there be a vigorous exertion of the power invested in us to put a stop to such traitorous practices, therefore

"*Resolved*, That any person who from and after the publication of this resolve shall refuse to take continental currency in payment of any debt or contract whatsoever, or for any goods or commodity offered for sale, or shall ask a greater price for any commodity in such continental currency than in any other kind of money or specie, and on full proof made thereof to any three members of any county committee or any two field officers of militia of this State, shall for the first offence be considered as a dangerous member of society and forfeit the debt or goods contracted for, to the person who contracted for the same, and shall moreover be subject to a penalty of £5 for all contracts for and under that sum; and for all contracts above that sum shall forfeit to the full amount of said debt or contract, one fourth of all such forfeitures to be for the use of the informer, and the remaining three fourths to be to the use of this state, to be paid to the committee of the county where the forfeiture is incurred and to be levied immediately by the direction and authority of the said committee or field officer; and for the

second offence they shall be subject to the afore-mentioned penalties and be banished this state to such place and in such manner as this council shall direct.

"Nevertheless if any person shall consider himself or her aggrieved by the determination of any of the said committee or field officers, he shall be allowed an appeal to this council, provided the said appeal be made within six weeks after such determination."

Severity appeared necessary. The enemy were threatening the capital city of the colonies; the congress had fled for safety; the right arm, its credit, seemed almost paralyzed. Even quondam associators refused to receive the money.[1] Commodities were not to be purchased except with specie or the old bills of credit of the colonies issued under the authority of the crown, there being a likelihood that they might be redeemed when the payment of the new money should have been prevented. The tavern keepers took down their signs and refused to entertain the passing stranger. The continental money was freely offered at *two* for *one;* the contest seemed hastening to an inglorious end; the war could not be carried on. The soldiers deprived of all other sources of money save those which the congress offered to them were unable to procure the commonest necessaries of life. The most stringent measures were indispensable to hold together the structure which eighteen months had raised and Independence had cemented.

The operations of finance are invariable. Ignorant tamperings with its machinery can result only in the destruc-

[1] *Pennsylvania Archives*, vol. v, p. 125, Letter to Gen. Mifflin.

tion of that which is sought to be remedied. With a congress currency of twenty-five millions of dollars and a much larger amount of circulating paper money issued by the individual states, it is not surprising that the apparent value of every article exposed for sale became greater than formerly; an effect mistaken for a rise in price, and which the governments endeavored to prevent by legislative enactments and limitations. Schemes for supporting the currency, for making, by declaration, paper equal to gold, and many others, similarly wild and impracticable, appeared to the understandings of the American rulers to be promising of relief, and as such were eagerly essayed.

Loud rose the alarum which threatened the destruction of the continental money. The dismay of congress when such tidings reached it, may be imagined, but cannot be described; in no other manner than by the issue of bills of credit could the operations of the war be conducted, and even this resource seemed about to fail; sufficient loans of money could not be obtained and the lottery was not to be relied upon.

Specie had been lent to congress in considerable sums;[1] a large amount was actually lying useless at Ticonderoga, while debts of all kinds poured in to be discharged. "The year 1776 is over," writes Robert Morris[2], "I am heartily glad of it, and hope you nor America will ever be plagued with such another. Let us accept the success at Trenton as a presage of future fortunate events."

The capture of General Lee had served to dispirit the Americans, among whom his own estimate of his valor and

[1] *Letters to Washington*, Sparks, vol. i, p. 315.

[2] *Letters to Washington*, Sparks, vol. i, p. 317.

of his virtues had been believed. Other indications seemed to point to the utter ruin of the cause of the American colonies over which their successes had thrown but a transient glare.

The real depreciation of the paper money was now so considerable that congress took into consideration how best to prevent and remedy this evil. On the fourteenth day of January, 1777, it agreed to the following resolution and preamble:

"*Whereas*, The continental money ought to be supported at the full value expressed in the respective bills by the inhabitants of these states, for whose benefit they were issued and who stand bound to redeem the same according to the like value; and the pernicious artifices of the enemies of American liberty to impair the credit of the said bills by raising the nominal value of gold and silver, or any other species of money whatsoever, ought to be guarded against and prevented:

"*Resolved*, That all bills of credit emitted by the authority of congress ought to pass current in all payments, trade, and dealings in these states, and be deemed in value equal to the same nominal sums in Spanish milled dollars; and that whosoever shall offer, ask or receive more in the said bills for any gold or silver coins, bullion or any other species of money whatsoever than the nominal sum or amount thereof in Spanish milled dollars, or more in the said bills for any lands, houses, goods, or commodities whatsoever, than the same could be purchased at of the same person or persons in gold, silver or any other species of money whatsoever; or shall offer to sell any goods or commodities for gold or silver coins, or any other species of money whatso-

ever; and refuse to sell the same for the said continental bills; every such a person ought to be deemed an enemy to the liberties of these United States, and to forfeit the value of the money so exchanged, or house, land or commodity so sold or offered to sale. And it is recommended to the legislatures of the respective states to enact laws inflicting such forfeitures and other penalties on offenders as aforesaid as will prevent such pernicious practices.

"That it be recommended to the legislatures of the United States to pass laws to make the bills of credit issued by congress a lawful tender in payment of public and private debts; and a refusal thereof an extinguishment of such debts; that debts payable in sterling money be dischargable in continental dollars at the rate of 4*s*. 6*d*. sterling per dollar; and that in discharge of all other debts and contracts continental dollars pass at the rate fixed by the respective states for the value of Spanish milled dollars; that it be recommended to the legislatures of the several states to pass resolutions that they will make provisions for drawing in and sinking their respective quotas of the bills emitted by congress at the several periods fixed or that shall be fixed by congress. That it be recommended to the legislatures of the several states, to raise by taxation in the course of the ensuing year, and remit to the treasury such sums of money as they shall think will be most proper in the present situation of the inhabitants; which sums shall be carried to their credit and accounted in the settlement of their proportion of the public expenses and debts, for which the United States are jointly bound."

At the same time provision was made for borrowing through the loan offices an additional sum of two millions of dollars.

The various assemblies enacted the measures necessary to carry into effect these resolutions for appreciating the credit of the bills. The public faith had previously been pledged for their redemption, but no specific preparations had been made by the states to perform their part of the engagement. In the earlier stages of the war, no suspicion dare be entertained that these sovereignties could have failed in, or hesitated to comply with, their duties in this respect; but now,[1] so changed was public opinion, it was thought that the assumption by the states of the redemption of their quota of the bills and their specific promise to act to that end, would be a prop to their credit not lightly to be disregarded; hence the recommendation that they should pass resolutions to that effect. An earlier period than had been originally intended, viz., the current year, and a resort to immediate taxation, were also suggested. A perilous and hence long deferred measure.

The states at various times, enacted laws in conformity with these recommendations. The immediate result of such regulations was still further to enhance the price of all vendible articles, in proportion to the depreciation of the currency, which increased in ratio of the efforts made for its prevention.[2] All these measures produced little or no good effect not only from the pressure of the times, from the uncertainty of the future, and from the abundance of the bills already emitted, but also from the facility of issu-

[1] Marshall's *Life of Washington*, vol. iii.

[2] Botta, vol. i.

issuing more which the congress and the individual states knew was open before them, from the need they had of a further addition to their money, and from the likelihood that the great redundancy would be still further enlarged. To bring into circulation the amounts already ordered, additional signers were daily appointed, and urged to use the utmost dispatch in the discharge of their duties.

A convention of delegates from the four New England states had been assembled at Providence,[1] for the purpose of considering the state of the currency and the means of bettering it; among other plans to this end, they proposed that of a *limitation of prices* of labor, manufactures and produce. The idea was eagerly seized upon by congress,[2] by whom it was recommended to the other states, as an example worthy of imitation, in order "to prevent the present fluctuating and exorbitant prices."

It suggested that delegates from New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia, should meet at Yorktown in Pennsylvania on the third Monday of March next ensuing; those from North and South Carolina and Georgia were to convene at Charleston in South Carolina, on the first Monday in May; that these assemblies should consider these most important matters.

Impressed with the idea that the issue of paper money by the states was one of the chief causes of the depreciation of the continental bills, they recommended that for the future all such issues should be avoided and that the states should raise their revenues by taxation or by loans;

[1] Felt's *Massachusetts Currency.*

[2] *Journal of Congress*, February 15, 1777.

they also advised that the states should end the currency of all notes issued by them prior to the nineteenth of April, 1775, as they were chiefly held by persons unfriendly to the new government, who made a discrimination in their favor, believing that such issues would be ultimately redeemed whether the later ones were or not; a discrimination which acted fatally against the credit of the congress notes. The wisdom and propriety of these measures were acknowledged by the states, and acquiesced in by suitable legislation.

The counterfeiters still reaped their harvest undeterred by the most sanguinary penal enactments. The British government counterfeited the continental paper money, as subsequently they acted towards the *assignats* issued during the French revolution. To their everlasting discredit the fact is too well authenticated to admit of dispute. General Howe abetted and patronized the making and uttering of counterfeit continental bills. In the same newspapers in which all the British official documents and proclamations were published, might be found such advertisements[1] as the following:

"Persons going into the other colonies may be supplied with any number of counterfeited congress notes for the price of the paper per ream. They are so nearly and exactly executed that there is no risk in getting them off, it being almost impossible to discover that they are not genuine. This has been proved by bills of a very large amount which have been successfully circulated. Inquire

[1] H. Gaine's *Gazette*, April, 1777. Cited in Moore's *Diary of the American Revolution*, vol. i.

for Q. E. D., at the coffee house, from eleven A. M. to four P. M., during the present month."

A ship load of counterfeit continental money coming from Britain, was captured by an American privateer. Persons[1] accompanying an English flag of truce are known to have largely made use of the opportunity for disseminating the fraudulent notes; emissaries from New York[1] endeavored to obtain from the mills, paper similar to that used by congress for its emissions.

Large quantities of the forged paper, by these means, got into circulation and soon were laid before congress which had adjourned to Philadelphia, meeting there on the fourth day of March; but no additional action seems to have been taken by that body to protect its issues. The scheme of the projected lotteries most closely occupied their attention, and much time was given to bring it to perfection; the form of the certificate to be given for the prizes being as follows:

"*Number* *Dollars.* *Number.* *Dollars.*

UNITED STATES LOTTERY.

"The United States of America acknowledge themselves to be indebted to.....in..... Dollars, being for a prize of that value drawn in the United States Lottery, which they promise to pay to the said.....or bearer, on the.....day of....., with interest annually, at the rate of 4 per cent, agreeable to a resolution of the United States, passed the eighteenth day of November, 1776."

[1] *Pennsylvania Archives*, vol. v.

Permission had been given to the managers to postpone the drawings, if in their discretion they thought such action would be advisable. The scheme did not prove remunerative or a source of revenue; the payment required of hard cash for the chance of a certificate only entitling its holder at some distant day to receive for it paper dollars, did not seem an attractive prospect. A new emission of paper money was on the twentieth day of May resolved on by congress to the amount of five millions of dollars.

Uncertainty hung over the movements of the British troops in New York. Burgoyne was, however, surely bent on marching down the rivers and lakes to that city, and desolating the country through which he passed, effecting a junction with Sir Henry Clinton. Toryism was said to hold up its head with impunity.[1] The depreciation of the paper currency continued apace. "A doubloon was sold yesterday for £30," writes James Lang from Lancaster to the Pennsylvania board of war,—"a half Joe sells for between £15 and £20,[2] a guinea for £6 and upwards, and a dollar for upwards of £1 10*s*. Depreciating is really become a trade here, and even the friends of liberty are induced, nay almost necessitated, to adopt the base measure. The *Menonists*[3] refuse to sell their produce unless for hard cash, and when they bring any market stuff to

[1] *Pennsylvania Archives*, vol. v, p. 396.

[2] *Pennsylvania Archives*, vol. v, p. 396. The Pennsylvania pound was $2.66⅔.

[3] The *Menonists* were a sect holding peaceable doctrines somewhat similar to the Quakers.

town, will carry it from house to house, and sell it very low for hard cash, but will carry it home again rather than sell it for congress currency." Considering it necessary some steps should be taken to check this growing evil, he recommends "the appointment of a trusty and spirited person who has no connections here, to reside here and take cognizance of all these matters. Let him cause a party of soldiers to seize any person accused of depreciating or refusing the congress currency, whether in buying or selling. Let him immediately after seizing such person, take an inventory of the person's estate real and personal, and transmit the inventory to any board the law might direct. And let the person so seized be immediately sent to the state prison, there to remain without bail till tried for misprision of treason, or call it felony, if judged proper, and let the punishment be equal to the crime. I confess the measure looks violent, but if something equally so is not immediately done, I am firmly persuaded the cause will be materially hurt."

Such were the sentiments of an honest man. We can fully agree with him that the *measure does look violent*, but not in his conclusion that it would save the state. The times were strangely out of joint when such a proposition could be seriously made. The Quakers[1] suffered severely in the conflict; they refused to accept the congress paper money from religious scruples; they were fined, imprisoned and banished; their stores were robbed and their property confiscated; all this upon public opinion so fickle

[1] Brissot de Warville's *Travels in North America.*

that it was deemed a crime in 1781 to say this paper money should be redeemed at its full value, a public opinion which had in 1777 denounced as a criminal, any person who should receive it for a less amount than was expressed upon its face.

While the middle colonies were still threatened, to provide for the relief of Georgia, congress ordered one million of dollars to be struck and to be sent thither to reimburse that colony for advances made by it on account of the United States. The signers of the notes and the overseers of the press received continual additions to their numbers, and were urged to the more rapid performances of their duties. Even so easy an occupation was with difficulty fulfilled. James Read, writing from Reading on the 9th of September, 1777, to Timothy Matlack, says:[1] "Michael Hillegas, Esq., continental treasurer, has very earnestly requested me to be one of three persons (if two more can be had, not one of whom is fixed upon) to attend to the continental press, and to deliver the sheets of bills to the signers, and to take receipts from them."

The city of Philadelphia was in a precarious situation; upon it, by sea and by land, the enemy were now approaching; the disastrous battle of Brandywine was followed by the capture of the metropolis. The bold defence of the river forts only for a time prevented the upward passage of the British fleet. Early in the month of September, President McKinley, of Delaware, had been captured[2] at

[1] *Pennsylvania Archives*, vol. v.

[2] *Letters to Washington*, vol. i. Thos. McKean to ——

Wilmington, and at the same time, all the papers and money in the United States loan office at that place, the latter to the amount of twenty-five thousand dollars, had fallen into the hands of the English.

It was evident that Philadelphia was no longer tenable; the supreme executive council[1] of Pennsylvania ordered the removal of papers, moneys and books in the loan office to East town; the state library was also ordered to be transferred for safety to the same place. On the 18th day of September congress adjoined from Philadelphia and met at Lancaster, and afterwards on the 30th, at Yorktown. They had previously resolved that the interest on loan office certificates should be paid by bills of exchange drawn on the commissioners of the United States in France. The British army entered Philadelphia on the 26th day of September. The ill success of the battle of Germantown caused all hopes of soon repossessing the metropolis to be given up, and the forts on the Delaware were evacuated. It is impossible to describe the continual calls for everything made upon the congress. A mutiny occurred among the troops of Poor and Larned, owing to the distress occasioned by the paper money and to want of stores, clothing and provisions. This was, however, soon suppressed, but the flame was only deadened, not extinguished, and might at any time[2] break out again. America was over a slumbering volcano.

Congress issued another sum of one million dollars on

[1] *Colonial Records*, Pa., vol. xi.

[2] Col. Hamilton to Gen. Washington. *Letters of the Revolution*, vol. ii.

the 7th of November; on the 15th the articles of confederation were agreed to. These were to be ratified by the states, and contained a clause declaring that all the bills of credit emitted, moneys borrowed, and debts contracted by or under the authority of congress, were to remain and be considered as a charge against the United States; and the faith of the United States was again solemnly pledged for their full payment and satisfaction.

On the twenty-second day of November congress came to the following resolutions:

"Pursued by the injustice and vengeance of Great Britain, these United States have been compelled to engage in a bloody and expensive war. * * * Aided by venal foreigners and domestic traitors the war has been prosecuted by our implacable foes with utmost force and vigor, and aggravated by more than savage barbarity. Congress, nevertheless, supported by the confidence of their fellow citizens without burthening them with taxes or pecuniary contributions, have hitherto raised all the necessary supplies on the public faith.

"To maintain our fleets and armies, large sums have been emitted in bills of credit, and the same method has been embraced by the respective states to answer their internal wants. By these expedients, our paper currency, notwithstanding the solid basis on which it is founded, is multiplied beyond the rules of good policy: no truth being more evident than that where a quantity of money of any denomination exceeds what is useful as a medium of commerce, its comparative value must be proportionately reduced. To this cause conspiring with the arts of our open and

secret enemies, the shameful avidity of too many of our professed friends and the scarcity of foreign commodities, are we to ascribe the depreciation of our currency. The consequences to be apprehended are equally obvious and alarming; they tend to the depravity of morals, the decay of public virtue, a precarious supply for the war, debasement of the public faith, injustice to individuals, and the destruction of the honor, safety and independence of the United States. Loudly therefore are we called upon to provide a seasonable and effectual remedy. * * * * Hitherto, spared from taxes, let them now with a cheerful heart contribute according to their circumstances. * *

"*Resolved*, That it be most earnestly recommended to the respective states to raise in the course of the year 1778, commencing on the first day of January next, by quarterly payments, the sum of five millions of dollars by taxes to be levied on the inhabitants of the respective states in the proportions following, viz:

New Hampshire,.....	$200,000	South Carolina,.....	$500,000
Rhode Island and Providence plantations,.....	100,000	Virginia,.....	800,000
		Delaware,.....	60,000
New York,.....	200,000	New Jersey,.....	270,000
Pennsylvania,.....	620,000	Connecticut,.....	600,000
Maryland,.....	520,000	Massachusetts Bay,...	820,000
North Carolina,.....	250,000	Georgia,.....	60,000

"That the sums to be assessed and to be raised shall not be considered as the proportion of any state, but being paid into the treasury, shall be placed to their respective credits, bearing an interest of six per centum per annum

from the time of payment, until the quotas shall be finally ascertained and adjusted by the congress of the United States, agreeably to the confederation hereafter to be adopted and ratified by the several states. And if it shall then appear that any state is assessed at more than its first quota of the said tax, it shall continue to receive interest on the surplus, and if less, it shall be charged with interest on the deficiency, until by a future tax such surplus or deficiency shall be properly adjusted.

"*Resolved*, That it be earnestly recommended to the legislatures of the several states to refrain from further emissions of bills of credit, and where there is a sufficient quantity of continental bills of credit for the purpose of a circulating medium, forthwith to call in by loans or taxes and to cancel, etc., paper money, small bills for change under a dollar excepted, which such state has already emitted; and for the future to provide for the exigencies of war and the support of government by taxes to be levied within the year, or such other expedient as may produce a competent supply.

"* * * * * And *whereas*, signal advantages have arisen from the establishment of continental loan offices on which congress continue to place great dependence; in order therefore as far as it is practicable to ascertain the supplies for the war which may be raised in the several states upon loan office certificates,

"*Resolved*, That it be recommended to the legislatures, or in the recess of any of them, to the executive authorities of the respective states, to cause subscriptions to be opened under the inspection of one or more respectable

citizens within each town or district, specifying the names of the lenders and the sums they are willing to lend, and that a copy of such subscription papers shall from time to time be delivered to the respective commissioners of the said loan offices, and by them transmitted to congress, provided that no certificate shall issue for less than two hundred dollars.

"*Resolved*, That it be recommended to the legislatures, or in their recess, to the executive powers of the respective states of New Hampshire, Massachusetts Bay, Rhode Island and Providence plantations, Connecticut, New York, New Jersey, Pennsylvania and Delaware, respectively to appoint commissioners to convene at New Haven in Connecticut, on the 15th day of January next; and to the states of Virginia, Maryland and North Carolina respectively to appoint commissioners to convene at Fredericksburgh in Virginia, on the said 15th day of January; and to the states of South Carolina and Georgia, respectively to appoint commissioners to convene at Charleston, on the 15th day of February next; in order to regulate and ascertain the price of labor, manufactures, internal produce and commodities imported from foreign parts, military stores excepted; and also to regulate the charges of inn holders, and that on the report of the commissioners each of the legislatures enact suitable laws, as well for enforcing the observance of such of the regulations as they shall ratify, and enabling such inn holders to obtain the necessary supplies, as to authorize the purchasing commissaries for the army, or any other person whom the legislatures may think proper, to take from any engrossers, forestallers or

person possessed of a larger quantity of such commodities or provisions than shall be competent for the private annual consumption of their families, and who shall refuse to sell the surplus at the prices to be ascertained as aforesaid, paying only such price for the same.

And in order to introduce immediate economy in the public expense, the spirit of sharping and extortion and the rapid and excessive rise of every commodity being confined within no bounds; and considering how much time must unavoidably elapse before the plan directed by the preceding resolution can be carried into effect,

"*Resolved*, That it be earnestly recommended to the respective legislatures of the United States without delay, by their separate authority, to adopt and effectually enforce a temporary regulation of the prices of provisions and other commodities for the supply of the army, in such manner as they shall judge reasonable; and to continue in force until the general regulation before proposed shall be adopted."

The language of these resolutions being very striking, and being the words in which the ideas could have been best conveyed, are therefore here reproduced bodily. The straits to which America was reduced were indeed great. Its capital was occupied by a foreign enemy, its congress a fugitive, its army suffering the most terrible privations, for this was the winter spent at *Valley Forge*, to all time to be remembered for the dreadful sufferings and exposures then endured. The friends of liberty, even, felt that this was the critical moment in the struggle; many who had been warmly devoted to the cause now gave in their

adhesion to Britain. The confederation gave to congress but a shackled power, and even the form of government was inefficient. The states were now recommended[1] to forfeit and sell the property of those who had abandoned their allegiance and passed over to the enemy, the proceeds to be invested in continental loan office certificates. On the third of December congress resolved to borrow,[2] if possible, from France and Spain, *two millions sterling* to pay the interest on the loan office certificates, experience having demonstrated that the payment by drawing bills of exchange was inadequate to the necessities of the occasion. They were unwilling to issue any more paper money, as the truth had become apparent to them, that the quantity already issued had become so considerable as to endanger its credit, while the operations of taxation were so slow and so uncertain that they could not with safety be relied upon as an adequate preventative of so great an evil. It likewise appears, that in emulation of similar *patriotic* practices, associations had been formed for the purpose of keeping up the value and credit of the bills issued by the various colonies under the authority and with the sanction of the British crown; naturally forcing down the worth of the continental and state paper

[1] *Journal of Congress*, Nov. 27, 1777.

[2] This scheme was strenuously opposed by only six members of the congress, one of whom was Henry Laurens. "We have in this single article" he writes to Gen. Washington, "plunged the Union into a vast amount of debt, and from neglecting to exert our very small abilities, or even to show a leading disposition to cancel any of the former demands against us, our bills for that interest are now floating in imminent danger of dishonor and disgrace."—*Letters to Washington*, edit. Sparks, vol. ii, p. 233, et seq.

moneys emitted in rebellion. To end this pregnant germ of harm, it was resolved that the states should call in all the notes issued by them on or prior to the 19th day of April, A. D. 1775, the day on which the flames of war were kindled at Lexington, and that they should declare that all such bills not presented by a certain reasonable time, to be in such enactments limited, should be forever after *irredeemable*. This legislation it was hoped, would secure to the states a uniform national currency, whose chances of redemption should not militate against each other, and in event of non-success would all be certainly worthless. From this the tories and the disaffected could make no gain; even those distrustful must succumb to the pressure brought against them in favor of the continental notes. Should they not be willing to hold large sums in this currency, and metamorphose it into goods, they incurred the risk of having their warehouses judicially plundered, or of having their persons confined in some loathsome jail, or banished far from home. Lucky were they, if both were not the results. No redress could ever be expected. When a people goes mad and believes that the blindest obedience to the mandates of its rulers is an act praiseworthy and dutiful, when the frenzy passes over they dare not or will not look back upon the havoc they have created. The victims must suffer forever; their wrongs will never be righted.

Congress, while providing for the extinction of state issues, created a new one of their own to the extent of one million of dollars.[1] To provide for the army they em-

[1] *Journal of Congress*, Dec. 20, 1777.

powered the commissaries to *seize* all goods required for the use of the armies, to be paid for by *certificates* at the rates to be established by the convention previously directed to be held. A circular showing forth and vindicating the necessity of these measures was at the same time agreed upon and transmitted to the states. Action was taken upon these resolves, and wagons among other articles made impressable for the use of the army at certain fixed rates. The greatest cause of the distress is attributed to the tardiness and remissness of the New England states[1] in procuring and transmitting supplies to the army. The continental paper money[1] had fallen there more below its value than in the other portions of the country,[1] and commissaries, in order to obtain provisions, had been obliged to pay a higher nominal price; of this action, congress, believing it to result from disaffection or bad conduct of the people, disapproved. The recommendation of congress to the states to fix the several values of commodities was complied with, but the result was that owners secreted their goods. The ordinances were, however, as far as possible, carried into rigid execution.[2] Stores were broken open and goods sold at the limited prices by self constituted committees; the merchants were charged with conspiring to raise the prices of commodities, and to depreciate the currency; the opprobrious names of *tories, speculators, engrossers and forestallers, enemies of their country*, and many others, were liberally applied.

Thinking men[3] knew how futile were such endeavors

[1] Botta's *American Revolution*, vol. ii,

[2] Webster's *Essay on Free Trade*, &c.

[3] Webster's *Strictures on Tender Acts.*

to support by acts of compulsion the credit of the continental bills, although a contrary opinion was held in all the departments of the administration of the states and of the confederacy. No considerations of justice, honor, religion or policy, or even the experience of the utter inefficacy of such measures[1] could eradicate it from the public mind. "It[1] seemed to be a kind of obstinate delirium, totally deaf to every argument drawn from justice and right, from its natural tendency and mischief, from common sense and even from common safety." The utmost effect of these powerful proceedings was, in the language of the eye witness so often quoted here, only as "that of water sprinkled on a blacksmith's forge, which indeed deadens the flame for a moment, but never fails to increase the heat and force of the internal fire.—*It is not more absurd to attempt to impel faith into the heart of an unbeliever by fire and faggot, or to whip love into your mistress with a cowskin, than to force value or credit into your money by penal laws.*" Words of warning and of wisdom, which should be indelibly stamped on the minds of those who control the finances of a vast country, and should blaze in letters of fire above their treasury vaults.

The army of Washington remained at Valley Forge, and the congress of the confederation at Yorktown, during the winter of 1777–78. Military matters bore a disheartening aspect. By unscrupulous foraging the troops were victualed from day to day, but the resource was precarious. The payments made by the British in gold and silver, tempted the farmers to sell to them their produce, rather than to bring it to the American camp and receive

[1] Webster's *Strictures on Tender Acts.*

in exchange for it continental notes. Militia were therefore kept constantly guarding the Schuylkill in order to prevent supplies from reaching in this manner the army of the invaders. The ragged condition of the soldiers furnished a fine mark for the wit of their enemies. Such items as the following, were of constant occurrence in the gazettes of the period: "The account that we have had, that the grand American congress could make no more dollars for want of rags, proves altogether a mistake, for *independent* of the large supply expected from Washington's army, as soon as they can be spared, we have reason to believe the country in general never abounded more in that article."[1]

The discontents and troubles arising through this winter of suffering, caused the army to be remodeled; a new expedition to Canada, to be led by the Marquis de Lafayette was projected, but was abandoned; the Conway cabal is one of the events of this unhappy period. The drawing of the lottery was postponed until May,[2] as very few of the tickets had been sold; an effect which congress attributed to the invasion of Pennsylvania. The funds necessary for the support of the government were obtained by an issue of bills of credit to the amount of eighteen million five hundred thousand dollars, during the months of January, February, March, April and May; ten millions of dollars were also directed to be procured through the media of the loan offices, which was afterwards

[1] Gaine's *News*, Feb. 4, 1778, cited in F. Moore's *Diary of the American Revolution*, vol. ii.

[2] *Journal of Congress*, Jan. 6, 1778.

directed not to be performed.[1] In doubt and despair came the news of the French alliance; the prospects of America brightened. If alone she had so long defied and held at bay the force of Britain, what might not be expected from the alliance of so powerful a sovereign as Louis the sixteenth, of France. Independence seemed now almost assured. The paper money although now in circulation to the amount of *fifty-five million five hundred thousand dollars*, rose from a depreciation of six[2] for one in April, to four for one in June. The pay of those appointed to sign the bills had been also increased[3] in proportion to the augmentation of their work.

While the British held possession of the city of Philadelphia, there was published in the Pennsylvania *Gazette*, the following false statement[4] of the continental debt of America, in order to dispirit the patriotic from further resistance:

DR. *The United States of America, in accompt with the Continental Congress.*

1777, Dec. 31. To amount of several emissions of continental paper dollars, as appears by the resolves of congress, and certificates from the committees appointed for superintending the press, &c., amounting in the whole to.....	115,000,000 dollars.
To amount of twenty millions of paper dollars, borrowed on the credit of congress in the several United States, as appears by certificates from the loan offices erected for that purpose.....	20,000,000 dollars.

[1] *Journal of Congress*, May 9, 1778.

[2] Vide *Pennsylvania scale* in Appendix.

[3] *Journal of Congress*, Feb. 23, 1778.

[4] Almon's *Remembrancer*, vol. xv, p. 198.

The interest on this loan being fixed at six per cent per annum, till repaid by congress, these two sums consolidated make a clear apparent continental debt of one hundred and thirty-five millions of dollars, which at 7*s*. 6*d*. per dollar, amounts to £50,625,000 0*s*. 0*d*.

Dollars 135,000,000.

Pounds 50,625,000 0*s*. 0*d*.

Per Contra. CR.

1777, Dec. 31. By amount of the several quotas of the states, the whole being liquidated upon a presumption that the inhabitants of the thirteen United States amount to three millions, and therefore each state stands chargeable in proportion to the supposed number of its inhabitants, viz:

	Inhabitants	pays dollars	At 7*s*. 6*d*. is
New Hampshire,.....	150,000	6,750,000	£2,531,250
Massachusetts Bay,.....	400,000	18,000,000	6,750,000
Rhode Island,.....	60,000	2,700,000	1,012,500
Connecticut,.....	150,000	6,750,000	2,531,250
New York,.....	250,000	11,250,000	4,218,750
New Jersey,.....	120,000	5,400,000	2,025,000
Pennsylvania,.....	350,000	15,750,000	5,906,250
Delaware government, ...	35,000	1,575,000	590,625
Maryland,.....	320,000	14,400,000	5,400,000
Virginia,.....	580,000	26,100,000	9,787,500
North Carolina, ...	300,000	13,500,000	5,062,500
South Carolina, ...	225,000	10,125,000	3,796,875
Georgia,.....	60,000	2,700,000	1,012,500
	3,000,000	135,000,000	50,625,000

DR. *The whole property real, personal, and mixed of the Thirteen United States, their new account with the Continental Congress.*

1778, Jan. 1. To amount of last year's account.....£50,625,000

To amount of interest money due on the sum of twenty millions of dollars borrowed on public loan in the several states at six per cent per annum, as mentioned in the general account above, the annual interest on the whole sum being 450,000

To the amount of five millions of dollars ordered to be called in and collected by quarterly payments, agreeable to an assessment made by resolve of congress this present year, 1778.	1,875,000
To the amount of paper money emitted by the several states on their private account, which being estimated in proportion to the emission of £515,000 made by Pennsylvania, the whole must amount to	4,120,000
Total continental debt	56,620,000
Annual interest	450,000

Per Contra. CR.

1778, Jan. 1. By the whole value of all kinds of property in the thirteen United States of America, the value whereof being estimated by a calculation made (agreeable to the standard adopted in congress) upon the comparative worth of Pennsylvania, viz:

The annual rent or income of the taxable property in Pennsylvania having been rated by the assessors upon oath in the year 1773, at £346,666, 13*s.* 4*d.* (and no part of America can be supposed to have grown richer since that time), this annual income being estimated at twelve years' purchase, the value of property in Pennsylvania will stand at £4,160,000, and Pennsylvania being rated by congress at nearly one eighth part of the value of the whole thirteen United States, their value will stand at £33,280,000, which leaves a balance of debt, over and above the whole value of the states, amounting to £23,340,000. But if it be supposed that the taxable property in Pennsylvania was rather underrated by the assessors, and we set the amount at £400,000, and this be estimated at sixteen years' purchase, then the value of Pennsylvania will stand at £6,400,000; and the value of the whole thirteen states will be..... £51,200,000

By balance of debt, being more than the whole value of property in the thirteen United States.....	£5,420,000
Total continental debt.....	56,620,000
Annual interest.....	450,000

It was intended to show hereby that the debt of the continent was already far greater than could ever be liquid-

ated. The schedule, however, falsifies in many particulars. The amount of congress paper in circulation was not within fifty millions of the amount stated; the value of the states was also much greater. Even the English periodical in which it was reproduced saw the fallacy of the assertions.

On the 8th day of May congress prepared an address to the inhabitants of America. Three years had now worn away in the unequal conflict; one "without parallel in the annals of mankind." "Reluctantly they had been dragged into the contest." Not until after repeated supplications for redress of grievances, not until after many appeals to the justice of their transatlantic brethren, had the appeal been made to the solemn tribunal of the Almighty. Confiding in the justice of their cause, they braved the wrath of their powerful mother. The colonies were utterly defenceless; without arms, ammunition, clothing, ships, or warlike experience; with enemies at home to prey upon them.

"At length the God of battles in whom was our trust, hath conducted thro' the paths of danger and distress to the thresholds of security. It hath now become morally certain, that if we have the courage to persevere we shall establish our liberties and independence. * * *

"After the unremitted efforts of our enemies, we are stronger than before. Nor can the wicked emissaries, who so assiduously labor to promote their cause, point out any one reason to suppose that we shall not receive daily accessions of strength. They tell you, it is true, that your money is of no value, and your debts so enormous that they can never be paid. * * *

"Surely there is no man so absurd as to suppose that the least shadow of liberty can be preserved in a dependent connexion with Britain. * * * * * And this mad, this impious system they would lead you to adopt, because of the derangement of your finances.

"It becomes you deeply to reflect on this subject. Is there a country upon earth which hath such resources for the payment of her debts as America? such an extensive territory? so fertile, so blessed in its climate and productions? Surely there is none. Neither is there any to which the wise Europeans will sooner confide their property. What then are the reasons that your money hath depreciated? Because no taxes have been imposed to carry on the war; because your commerce hath been interrupted by your enemy's fleet; because their armies have ravaged and desolated a part of your country; because their agents have villainously counterfeited your bills; because extortioners among you, inflamed with the lust of gain, have added to the price of every article of life, and because weak men have been artfully led to believe that it is of no value. How is this dangerous disease to be remedied? Let those among you, who have leisure and opportunity, collect the moneys which individuals in their neighborhood are desirous of placing in the public funds. Let the several legislatures sink their respective issues, that so, there being but one kind of bills, there may be less danger of counterfeits. Refrain a little while from purchasing those things which are not absolutely necessary, so that those who have engrossed commodities may suffer (as they deservedly will), the loss of their ill gotten hoards, by reason of the commerce with foreign nations, which fleets will protect."

This inspiriting address was directed to be read immediately after divine service, by all ministers in all places of worship in the United States of America. The news of the French alliances had wonderfully cheered the people.

Bills of exchange[1] were directed to be prepared in setts of four, in payment of the interest due on loan office certificates to the amount of six million three hundred thousand dollars.

In form they were as follows:

"Exchange for.....dollars at five Livres Tournois, No..... United States of North[2] America.....day of.....17..... at thirty days sight of this.....bill, and.....not paid, pay to.....or order.....dollars in.....Livres Tournois, for interest due on money borrowed by the United States.

To.....of the United States of North America, countersigned.....commissioner of the continental loan office in the state of.....

It was also endeavored to make the lottery more popular but the efforts were not attended with success. The limitations of prices recommended by congress[3] to be enacted by the states were directed to be suspended, as it was believed that by the extension of commerce which it was now hoped would take place, they would not be necessary; nor had all the states as yet taken the desired action.

The times had materially changed. It was known that a French squadron was coming to America to endeavor to

[1] *Journal of Congress*, May 22, 1778.

[2] The word *North* was afterwards directed to be struck out of these certificates.

[3] *Journal of Congress*, June 4, 1778.

enclose the British army and navy in the Delaware Bay, whilst the Americans with a force far superior in numbers attacked them by land. Sir William Howe learnt the plan in time to act while there was yet safety. On the 12th of June he evacuated Philadelphia, the army passing through a hostile country, where on its passage was fought the battle of Monmouth; the fleet sailing from the Delaware round to Sandy Hook escaping only by a short time the French squadron which had been detained by contrary winds. On the second day of July congress again met at Philadelphia. The credit of the paper money still fluctuated; and to provide for the supply of the army the executive council of Pennsylvania laid an embargo for thirty days on the importation of provisions,[1] congress having previously recommended the action. Loans now seemed to afford a hopeful prospect of relief, and the office of treasurer of loans,[2] at a salary of two thousand dollars per annum, was created; to which, subsequently,[3] Francis Hopkinson was elected.

A curious question arose in the following manner:[4] The board of treasury recommended sundry persons, and among them one of an *ecclesiastical* character, as inspectors of the presses for striking bills of credit, bills of exchange and loan office certificates. Upon this report a motion was made that the sense of the house should be taken, whether it was

[1] *Pennsylvania Colonial Records*, vol. xi, p. 545.

[2] *Journal of Congress*, July 15, 1778.

[3] *Journal of Congress*, July 27, 1778.

[4] *Journal of Congress*, July 25, 1778.

proper that congress should appoint any person of an ecclesiastical character to any civil office under the United States: the previous question was moved and carried by a vote of seven to four. So the motion was lost.

The financial affairs of the country proved still of an uncertain character. With the plethora of money the people had become extravagant, and all articles continued to be held at high prices steadily increasing. Congress scarcely realized the magnitude of the situation; relying on the help of France they, in common with the populace, looked on the struggle as nearly ended. Deploring the lethargy into which that body had fallen, William Hosmer[1] writes to Trumbull, governor of Connecticut, in the following terms: "I wish I could with truth assure your excellency that in my view our affairs are in a happy train, and that congress has adopted wise and effectual measures to restore our wounded public credit, and to establish the United States, their liberty, union and happiness, upon a solid and permanent foundation. I dare not do it while my heart is overwhelmed with the most melancholy presages. The idleness and captiousness of some gentlemen, maugre the wishes and endeavors of an honest and industrious majority, in my apprehension threaten the worst consequences." Congress possibly thought that by appointing[2] as they did, Tuesday and Thursday in every week for the consideration and the regulation of financial and treasury business, they had done everything in their power towards relieving the

[1] *Letters to Washington*, edit. Sparks, vol. ii, p. 196, note.

[2] *Journal of Congress*, Aug. 13, 1778.

distressed country. A permanent committee which consisted of Messrs. Robert Morris, Gerry, R. H. Lee, Witherspoon and G. Morris, was afterwards [1] appointed to investigate these matters and to report thereon from time to time.

On the 15th of September a report on the state of the treasury was communicated to congress; what its contents may have been can only be conjectured at from the disposition which was made of it; such portions as related to a *confederal fund* and the mode of issuing and accounting for loan office certificates were referred to a committee which was composed of Messrs. Duer, Gerry and A. Adams. Four days later the report of the finance committee was ordered to be printed to the extent of only sixty copies for the use of the members, who were enjoined to keep its contents secret.

To facilitate the despatch of business, on the twenty-sixth of the same month the treasury department was remodeled; for the future its duties were to be discharged by five distinct offices, viz: that of the controller, of the auditor, the treasurers and of two chambers of accounts. The duties and method of selection of the various officials were explicitly pointed out. At the same time a new issue of ten million, one hundred dollars was ordered; new cuts were directed to be engraved, and new denominations, viz: fifty and sixty dollars, to be for the first time emitted.

It still continued impracticable to obtain timely and sufficient supplies for the army and navy, owing "to the

[1] *Journal of Congress*, Aug. 27, 1778.

scantiness of the crops of wheat, and other grain in the states of New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia, and the wicked acts of speculators, forestallers and engrossers, who infest every quarter of the country, and are industriously purchasing up grain and flour at the most exorbitant prices." These practices were considered destructive to the public weal, and to avoid them it was resolved[1] that the states should be recommended to vest authority in the proper persons to seize for the public use any extraordinary quantities of grain or flour in the possession of individuals; as the embargo had been found to defeat its object on account of persons purchasing goods and storing them until such time as they could lawfully export them, the congress desired that it should be continued in force until either the last day of January, 1779, or until sufficient supplies had been obtained for the American armies and the French fleet.

The measure proved, however, as useless as embargoes generally are: although committees were appointed by the various executive bodies of the cities of the states to examine into the cases of "forestalling and engrossing," and doubtless much individual hardship was suffered, yet as a measure of relief, even temporary, it proved unavailing.

On Thursday, the eighth day of October, 1778, congress did an act of tardy justice, but too late to succor the many who had been injured in the effort to keep up the value of its currency; to make that of worth which was intrinsically worthless. Up to that time they had emitted

[1] *Journal of Congress*, Oct. 2, 1778.

eighty-two million, five hundred thousand, one hundred dollars; the depreciation stood at five for one and still increasing; the subject of finance had been considered by congress during several weeks, and it was now evident that it could no longer force the circulation of its bills of credit at prescribed rates in reference to coin. A motion was made to postpone the consideration of the question "that all limitations of prices of gold and silver be taken off;" on which, the yeas and nays being required by Mr. Gerry, it was defeated. New Hampshire, Massachusetts and Rhode Island voted in the affirmative; Connecticut, New York, New Jersey, Pennsylvania, Virginia, Maryland, North Carolina and South Carolina in the negative; Georgia was divided. The main question then was put and carried. It speaks well for the wisdom of those who voted in the majority that they could, when they saw they were impracticable, forego their cherished schemes.

The summer and fall military operations proved ineffectual and indecisive; the new alliance had not as yet worked the wonders so confidently hoped for and expected; commissioners from the British government were in the country endeavoring, but in vain, to settle with the congress some basis of reconciliation. Their powers did not embrace independence, and nothing short of this would be listened to by the people. The barbarity of the English, who avowed their intention of making America a desert if they could not subjugate it, caused the congress to threaten retaliation, publishing on the thirtieth of October a manifesto to that effect. A solemn appeal to "Him who searcheth the hearts of men" concludes the document, which is worthy of perusal, but is not sufficiently germane to be reproduced in this place.

Soon after[1] choice was made of persons to fill the offices of the reconstructed[2] treasury department. Jonathan Trumbull Jr., was elected *comptroller;* John Gibson, *auditor;* Michael Hillegas, *treasurer;* James Milligan, William Govett, Resolve Smith, Peter Philips, James Wells and William Geddes were elected commissioners of the chambers of accounts. This division of duties it was hoped would enure to the benefit of the government.

On the tenth of November it was ordered that the plan of finance should be considered every day until finished; the importance of it is shown by the addition, "and that this be not broken unless by common consent." Mr. S. Deane presented a few days later,[3] a memorial on the subject of the paper currency, which was read and ordered to lie upon the table. The letter has not survived, and its contents can only be conjectured from a similar one[4] written by the same author to the same body from Paris, on the first day of December, 1776. His views were, "To emit more bills will be rather dangerous, for money or whatever passes for such, whenever it exceeds the commerce of a state, must lose its value, and the present circumscribed state of the American commerce, is perhaps within the amount of your emissions *already* made. Your bills therefore must be borrowed of individuals by the publick at interest, or those already emitted paid off by taxes and new emissions made. Some colonies, I am sensible, may now be content with a tax, but it is most

[1] *Journal of Congress*, Nov. 3, 1778.

[2] *Journal of Congress*, Aug. 26, 1778.

[3] *Journal of Congress*, Nov. 14, 1778.

[4] *American Archives*, 5th series, vol. ii, p. 1019.

probably quite out of the power of some, and a measure rather impolitick in a majority of the colonies or states, *durante bello.* * * * The relying on future taxes is holding up to the people a succession of distresses and burthens, which are not to cease even with the war itself. Whereas, could they have a prospect of paying the expenses of the war at the close of it, and enjoying the remainder of their fortunes clear of incumbrances, it must greatly incourage and animate both the publick and private in pushing it on with vigor."

These opinions were as just in 1778 as they had been two years previously.

On the sixteenth of December the sum of ten million dollars, recommended to the states to be raised by taxation during the ensuing year, was increased to fifteen millions; subsequently[1] an additional sum of six millions of dollars was directed to be raised by them annually for eighteen years, commencing with the year 1780, to create a fund for sinking the loans or emissions of the United States, which remained as a debt on the 31st day of December, 1778. The bills of credit ordered by congress at that date amounted to *one hundred and six million, five hundred thousand, three hundred dollars;*[2] their redemption if the plan of taxation had proved practicable would have been finally accomplished in the year 1798.

The bills bearing date the twentieth of May, 1777, and eleventh of April, 1778, had been more extensively counterfeited than any of the others; it was no longer possible to discriminate between the genuine notes and those which

[1] *Journal of Congress*, Dec. 31, 1778.

[2] Vide *table of emissions* in appendix.

were forgeries. To remedy this congress resolved to take out of circulation the whole of those two emissions, to be brought into the treasury by the first day of June next, and not afterwards to be redeemable, to be received until that period for all taxes, state and continental, and on loan at the treasury, or there to be exchanged for other bills of a like tenor to be provided for that purpose.[1] These withdrawn notes were to be disfigured so that they should not again return into circulation.

"A report hath circulated in divers parts of America that congress would not redeem the bills issued by them to defray the expenses of the war, but would suffer them to sink in the hands of the holder, whereby the value of the said bills hath, in the opinion of many of the good people of these states, depreciated." Congress, fearing lest its silence might countenance or give strength to such a report, resolved[2] that it was false and derogatory to their honor. At the close of the year other resolutions were also adopted tending to carry into effect the calling in of the bills.

The year 1778 cost America a vast sum of paper money, but a very small amount of specie. The *Journal of Congress* for that year, contains an appendix which reveals the following wonderful result:

Expenses for the year 1778,

Currency,.....		$62,154,842.63
Specie,.....	78,666$\frac{2}{90}$	Dollars.
do	28,525	Livres.

[1] From an advertisement in the *Pennsylvania Packet*, Jan., 1780, we find at that time there had been destroyed of the emission of April 11, 1778, $12,407,294; and of May 20, 1777, $7,439,974.

[2] *Journal of Congress*, Dec. 29, 1778.

"This handful of solid coin, which in gold would weigh only seven hundred pounds and might be put into a wheelbarrow," says Breck, was the foundation of the campaigns of that year.

Paper money, as long as it lived, had a magical efficacy. The specie was chiefly needed by the generals to procure necessary intelligence as to the movements of the enemy; often no amount of paper money was found to be large enough to form any temptation to undertake this dangerous service.[1] Specie was also proposed as a bounty to induce men to enlist, but did not meet with approval,[2] as the measure would have had a tendency to depreciate the paper currency, which was "already of little value."

Congress, on the first day of January, 1779, further took into consideration the measures necessary to withdraw from circulation the counterfeited bills, and on the second, adopted the following preamble and resolutions:

"*Whereas*, These United States, unprovided with revenue, and not heretofore in a condition to raise them, have, in the course of the present war, repeatedly been under the necessity of emitting bills of credit, for the redemption of which, the faith of the United States has been solemnly pledged, and the credit of which their honor and safety, as well as justice, is highly concerned to support and establish.

"*And whereas*, to that end it is essentially necessary to ascertain the periods of their redemption, and seasonably to establish funds, which in due time, without distressing the people, shall make adequate provision for the same:

[1] *Washington's Letters*, edit. Sparks, vol. vi, p. 53.

[2] *Washington's Letters*, edit. Sparks, vol. y, p. 54.

"*And whereas*, in appointing the payments for the said fund, it is expedient that an extra sum be called for the current year, both on account of the present ease of paying it, and to reduce the surplus in circulation: therefore,

"*Resolved*, That these United States be called on to pay in their respective quotas of fifteen millions of dollars for the year 1779, and of six millions of dollars annually for eighteen years, from and after the year 1779, as a fund for sinking the emissions and loans of these United States to the 31st day of December, 1778, inclusive:

"That if the continuance and circumstances of the war shall make any further emissions necessary the year ensuing, they shall be sunk in the manner and within the period aforesaid:

"That any of the bills emitted by order of congress prior to the year 1780, and no others, be received in payment of the said quotas:

"That the bills received on the said quotas, except those for the year 1779, be applied first to the payment of the interest, and secondly for the principal of loans, made by these United States prior to the year 1780, and that the residue, together with those received on the quotas of the year 1779, be not reissued but burned and destroyed, as congress shall direct.

"*And whereas*, many counterfeits have appeared in circulation of various denominations, of the emissions of May 20, 1777, and of April 11, 1778, and counterfeits of these emissions have lately been issued by our enemies at New York, and are found to be spreading and increasing fast in various parts of these United States, whereby individuals are defrauded, prices inhanced, and the credit

of the paper currency greatly injured: and it is become necessary for the security of individuals and safety of the public, that those two emissions should cease to be a circulating medium, and should be called in and exchanged, or otherwise provided for as soon as may be with convenience to the present holders; therefore,

"*Resolved*, That the following bills be taken out of circulation, namely, the whole emissions of May 20, 1777, and April 11, 1778:

"That they be brought in for that purpose, in the manner hereafter provided, by the first day of June next, and not afterwards redeemable:[1]

"That they be received for debts and taxes into the continental treasury, and into the state treasuries for continental taxes, until the first day of June next:

"That they be received until the first day of June next, into the continental loan offices, either on loan or to be exchanged, at the election of the owners, for other bills of like tenor, to be provided for that purpose:

"That the bills lodged in said offices to be so exchanged, be there registered, and indented certificates thereof be given to the owners by the respective commissioners of the said offices:

"That the commissioners of the loan offices make returns to the treasury board immediately after the first day of June next, of the amount of the bills received in their respective offices to be exchanged as aforesaid, and that proper bills to exchange the same be furnished, and ready to be delivered out at the said offices, within sixty days from and after the said first day of June:

[1] The time was afterward extended to January 1st, 1780.

"That the first mentioned bills as they are brought into the treasuries and loan offices, be immediately crossed and struck through with a circular punch one inch in diameter, to be afterwards examined and burned as congress shall direct.

"*Ordered*, That the board of treasury prepare a circular letter to the states to accompany the foregoing resolutions."

These resolves, under the attestation of Charles Thomson, secretary of congress, were also published for general information, and may be found in the *Pennsylvania Packet* for January 5th, 1779.

The effect was immediately to discredit all the notes bearing these dates. The news gazettes teemed with the advertisements of merchants and others, who, in order to dispose of unsaleable goods and property, made public their willingness to take these bills.[1]

[1] The following specimens will convey an idea of the matters referred to in the text.

PENNSYLVANIA PACKET, *January 12th*, 1779.—"Several tracts of unimproved land to be sold for monies emitted in May, 1777, and April, 1778, now called out of circulation. For terms apply to EDWARD BONSALL, the lower end of Fourth street, Philadelphia."

January 14th, 1779.—"A few tierces of imported salt, to be sold by *William Milnor*, at the old ferry, for continental currency of the emissions of May 20th, 1777, and April 11th, 1778."

January 19th, 1779.—"To be sold by *Hugh Metier*, at his store in Second street, the third door above Arch street, the best imported allum and French salt, for continental currency, of the emissions of May 20th, 1777, and April 11th, 1778."

February 2d, 1778.—"*Robert Correy, Jr.*— * * * A number of strong *shoes* to be sold by the said *Correy*, for the two emissions called in by congress.

But neither the withdrawal of the currency nor the manner in which it was proposed to be done, met with most general approbation. Individual hardships were threatened and suffered. A letter preserved in the *Pennsylvania Archives*[1] depicts the features of the case so clearly that it is herein wholly inserted.

"How comes it that congress, by their resolve relative to the two emissions of May, 1777, and April, 1778, have set the country in such a ferment, and given room for a set of speculating people who are enemies to the real good of their country, to take occasion from it to depreciate the value of these two emissions in the manner they have done and *are* now daily doing. * * * There are a set of them here very busy in this matter; that by their management within this day or two it is rendered twenty-five ℔. cent. worse than the other emissions, which God knows were sunk low enough before. * * * Our butchers, bakers and farmers begin to refuse it intirely, owing to the story's propagated about it. Must people who have this money, either loose a fourth of it or starve? And when the time comes for exchanging it they must spend half of the value of the little they have in taking it to Philadelphia to place it in the office? And after that wait sixty days and attend a second time for payment? Indeed I think the resolve is not one the wisest, and wish to see these evils speedily remedied. * * * The merchants or rather hucksters of Philadelphia are playing the same there. Surely congress can call in these or any other emissions in a manner less injurious to the country. I am so angry at this affair that I hardly know what I

[1] *Pennsylvania Archives*, vol. vi, p. 212.

write, and so vexed at the daily schemes for depreciating of our currency, that I sometimes think we don't deserve the liberty we have been contending for, while such miscreants are suffered to breath among us: and indeed I can't help thinking that the congress's own servants, such as quartermasters, commissarys of purchase, &c., do as much injury to it as any other speculators — for the more they lay out or charge for articles which themselves have ingrossed, the more are their commissions."

The dissatisfaction was not merely local or confined to any one state; indeed the further removed from the immediate vicinity of the government the worse was the matter.

Robert Rutherford writes from Berkeley county, Virginia, to General Washington on the subject as follows:

"It is with much concern I find the resolve of congress respecting the money emissions of May 20th, 1777, and April 11th, 1778, giving great and general alarm, tending to depreciate the currency, as the holders of these emissions are really deprived of the use of their money for six months, as it in a great measure ceases to pass here in payments; * * * Assuredly, congress have not taken the whole matter into the account, as I am informed that large sums of this money are now in possession of the subjects of Spain upon the Mississippi, they being enjoined by the governor of Orleans to receive it, not to mention many other obvious objections: so that I am sensible it will be consistent with the wonted justice and prudence of that august body, without loss of time, to revise and greatly change the terms of that resolve."

The matter hinted at in the first letter, was no doubt

one of the greatest causes of the depreciation of the continental currency. The system of purchasing for the army through commissaries, who received a percentage upon the amounts they expended, was not one likely to prove economical; nor did unprincipled men, who have at all times been ready to fatten at the expense of the government, careless whether or not they drained its life blood, fail to take advantage of this unwise regulation. Peculation and minor thieving were the order of the day. The example proved infectious even to those who held high office under the United States. Arnold, the bold and brave, the hero of Quebec and Saratoga, "the second Hannibal" as he was called, fell under the general laxity of morals that prevailed. Public virtue seemed decaying under the pressure of the long, lingering war. Even WASHINGTON thought despairingly. "Speculation, peculation, engrossing, forestalling, with all concomitants, afford too many melancholy proofs of the decay of public virtue. Nothing, I am convinced, but the depreciation of your currency, proceeding in a great measure from the foregoing causes, aided by stock jobbing and party dissensions, has fed the hopes of the enemy."[1]

On the fourth of January, a committee of thirteen, being one for each state, was chosen to apportion the quotas of the taxes, called for and to be paid by the several states the current year, for redeeming the continental bills: they reported on the next day the following resolution:

"That the several states raise by taxes respectively as

[1] *Washington's Letters*, edit. Sparks, vol. vi, p. 210.

follows, for their quotas of the fifteen millions of dollars for the year 1779.

New Hampshire,	$500,000
Massachusetts Bay,	2,000,000
Rhode Island and Providence Plantations,	300,000
Connecticut,	1,700,000
New York,	800,000
New Jersey,	800,000
Pennsylvania,	1,900,000
Delaware,	150,000
Maryland,	1,560,000
Virginia,	2,400,000
North Carolina,	1,090,000
South Carolina,	1,800,000
Georgia,	000,000
	$15,000,000

"*Resolved*, that the said several sums, or any greater sums which shall be paid by any of the states, into the continental treasury, shall be placed to their respective credits on interest, on the same terms as are set forth in the resolutions of congress passed November 22d, 1777."

Georgia, it will be observed, was for the time exempted from furnishing money to the government as it was no longer in the possession of the Americans; the capture of Savannah at the close of the year 1778 having virtually restored that province to its allegiance. Once more under the British charters was there held an assembly — an almost anomalous sight in the history of the colonies.

To facilitate still further the withdrawal from circulation of the issues of May, 1777, and of April, 1778, the managers

of the lottery were directed to receive and the paymasters of the various departments of the army to exchange such notes; associations of citizens were also formed for that end.[1]

Congress must have foreseen the immense creation of paper money which was doomed to be emitted during the ensuing year, for it authorized[2] the treasury committee to contract with proper persons to act as signers to the bills during twelve months, at a remuneration not to exceed four dollars per thousand for each signer. The magnitude of the contract may be seen by the result. The year

[1] PENNSYLVANIA GAZETTE, *January 21st*, 1779.—A subscription is opened by the Republican Society in this city, for the purpose of furthering the good and wise intentions of the Honorable Congress, in taking the two emissions of their currency out of circulation, and to relieve the poor in the City and Liberties of Philadelphia, by exchanging small sums of such of the said money as they may have in their hands. Any person not a member of the said Society, and who is desirous of promoting the above measures may send his subscription to *Thomas Fitzsimons, Esqr.*; who is appointed by the said Society to receive subscriptions, and to exchange the money.

By order of the Society,

DANIEL CLYMER, Secretary.

To carry into execution the benevolent intentions of the Contributors to this fund, I will attend at the counting house of George Meade & Co., next door to Richard Waln's, in Second street, from ten to twelve o'clock each morning (from this day) to exchange current money for the emissions of May, 1777, and April, 1778, for such of the inhabitants of this City and Liberties as come within the meaning of the subscribers, any sum not exceeding forty dollars to one person, who shall have been possessed of it on or before the eighth instant.

THOMAS FITZSIMONS.

January 20th.

[2] *Journal of Congress*, January 18, 1779.

1779 witnessed the issue of continental currency to the amount of ONE HUNDRED AND THIRTY MILLION, FIFTY TWO THOUSAND AND EIGHTY DOLLARS. If the application of steam power to printing had existed in those days, this vast sum might, perhaps, have been even larger.

A circular letter to the states, to accompany the resolves of January 2d and the apportionment of quotas, was agreed to, and was couched in the following noble language:

"We cannot review the progress of the revolution, which has given freedom to America, without admiring the goodness and gratefully acknowledging the interposition of divine providence.

"Oppressed by the prince who ought to have exerted himself for our protection, and suddenly called upon to repel his unprovoked invasion, without arms or ammunition, without military discipline or permanent finances, without an established government or allies, infeebled by habitual attachments to our very enemies, we were precipitated into all the expensive operations relative to a state of war with one of the most formidable nations on earth. Thus surrounded on all sides with wants, difficulties and dangers, notwithstanding the internal wealth of our country, immediate taxation was impracticable. And for the same reason, and a share of ill success at different periods, we could not hope either at home or abroad to borrow money to supply our exigencies.

"Humbly relying on the favor of heaven in a righteous cause, and confiding in the justice and integrity of our injured fellow citizens, we from necessity embraced the expedient of emitting paper money on the faith of the

United States, for the expenses of the war, an expedient which had often been successfully practised in separate states, while we were subjected to British domination. The implacable vengeance with which we have been pursued has compelled us to the most strenuous and unremitting efforts. Large issues of money were of consequence indispensably necessary, and the paper currency multiplied beyond what was competent for the purposes of a circulating medium. This alone could not fail to discredit it in some degree, the arts of an unprincipled enemy have increased the mischief. In despair of subduing the free spirits of America by the force of arms or intrigues of negotiation, as their last effort they have had recourse to fraud. Their emissaries have been employed in a variety of artifices to debase our money, and to raise the price of commodities. The fears and apprehensions of the people have been alarmed by misrepresentations, while our enemies of the highest rank have not hesitated to counterfeit the bills of credit and disperse them through the United States.

"Such being the embarrassments which interrupt a free circulation of our paper money, they loudly call for a remedy, and congress from a regard to good faith, to private justice and to public safety are bound to apply it. Happily by a combination of auspicious events every obstacle is removed, and the means placed within our reach. Their hostile armies, which attempted to enslave us, no longer formidable, are wasted and dispersed. Our independence is established on a firm basis. Our respective governments, which compose the union, are settled and in the vigorous exercise of uncontrolled authority.

An alliance on terms of perfect equality is formed with one of the greatest nations on earth; and freed in a high degree from external assaults, we have leisure to direct our attention to economy and our resources to support the the public credit.

"To raise the value of our paper money and to redeem it, will not, we are persuaded, be difficult, nor to check and defeat the pernicious currency of counterfeits impracticable; both require a far less share of public virtue and public vigilance than have distinguished this arduous conflict.

"Without public inconvenience or private distress, the whole of the debt incurred in paper emissions to this day, may be canceled by taxes; it may be canceled in a period so limited, as must leave the possessor of the bills satisfied with his security, and if by a continuance of the war, the public service should demand further emissions, they too may be cancelled within the same period: it being evident that our ability to sustain a tax, must encrease in proportion to the quantity of money in circulation.

"The danger from counterfeits can only be avoided by calling in and exchanging the emissions, which have chiefly suffered by that species of fraud. To publish the marks of detection, and still to leave the true bills current, will not be prudent, as it must afford an opportunity of correcting defects, and cheating more securely.

"To defend the emission intended for the exchange from counterfeit, the strongest guards will be devised, and it is expected that the marks of authenticity will be so obvious,

and the difficulty of successful imitation so great, as to discourage the attempt, or elude its effects.

"Upon those weighty considerations, congress have agreed to the annexed resolutions, and recommend them to the immediate attention of the respective legislatures of the United States, to the end that laws may be enacted, to give them the most speedy, decisive and effectual operation."

This address was to be sent to the states, together with the resolutions of the second day of January.

On the fourteenth day of January a new issue was ordered, to be in notes of the denominations of one, two, three, four, five, seven, eight, twenty, thirty, thirty-five, forty, forty-five, fifty, fifty-five, sixty and sixty-five dollars, respectively; in lieu of the seven and eight dollar bills, subsequently, others of seventy and eighty were emitted. The notes were to be used for exchanging the issues taken out of circulation; were to be struck from new plates, with additional checks against counterfeiting; and were to be redeemed by the first day of January, 1797. The States were directed to spread as widely as possible the knowledge of the resolutions of the 2d inst., and to encourage associations of the wealthy inhabitants, for the purpose of assisting the indigent, by exchanging without discount, the continental money, bearing date May, 1777, and April, 1778.

The state of the currency did not improve; as usual, the newspapers contained vapid and lengthy essays to prove how good and safe the paper money was, and how sure of redemption. It was argued, that as long as the independence of America was doubtful, it was natural the bills

should fluctuate and sink in value; but that now liberty was so firmly estalished on such sure ground, that it was as idle to say that the credit of the bills would not rise, as to predicate that the sun would not.[1]

Such thoughts and assertions were said to be from mere force of habit; that now, means having been taken for the redemption of the currency, no doubt could exist upon the matter. "What, of the price of her redemption, she has not paid down in the labors and blood of her own citizens, she has had credit for from herself, and is not, like the boasted mistress of the world, mortgaged to half the princes in Germany for troops she can neither return nor pay for. The debt of America is certain and must be paid; but, considering the occasion of it, and the numbers to pay it, it cannot be called great. * * * It ought also to be remembered here, that a revenue will arise to help to pay this debt, from the sale of forfeited estates, and the appropriation of debts due to British merchants, (to say nothing of the crown lands) of at least some millions." * * * * Whatever else America may be tempted to, she never can be brought to *a violation of her own faith*. She could not violate her faith and destroy her currency without effectually depriving herself of the means of defence. In a word, any breach of the public faith, on which her paper currency rests, would be madness, atheism and suicide. The mists and doubts raised on this subject of late, by enemies and the arts of wicked and designing men, are evidently beginning to subside, and will soon totally vanish,

[1] *Pennsylvania Packet*, January 20, 1779. — Thoughts on the Paper Currency, by *Observator*. See also same newspaper, Feb. 16th, 1779.

when multitudes will be left to wonder at their own credulity and curse their deceivers."

The patriotism of the writer, however, was greater than his prescience. Doubtless he would have approved and may have been one of the promoters of the scheme for confiscating all the gold and silver that should appear in circulation or be offered in any payments; a plan[1] which appears to have been thought of and projected, but of which the execution does not appear to have taken place.

Not alone with counterfeit notes and irredeemable currency were the people at this time worried, as will be seen from the following news item.[2]

BEWARE OF COUNTERFEIT HALF JOHANNES AND DOLLARS.

The unnatural enemies of this country, not satisfied with their frequent but fruitless attempts to destroy the credit of our paper currency, have, at length, introduced large sums of Counterfeit *Half Joes* and *Dollars* among us, in order to buy up the paper money, and thereby stamp a discredit upon it; but, thank God, this villainy has been detected in its bud, though the perpetrators of the same are still unknown. The *Half Johannes* are admirably well imitated, and require the nicest observation to distinguish the genuine from the counterfeit.

Nor even yet had the resource of counterfeiting the continental currency been relinquished by the enemy. General McDougall writes from Peekskill to General Joseph Reed[3] to the following effect. "The enemy is confident our currency will fail us * * * and that when ever the supplies for the army fail, the people will return

[1] *Pennsylvania Packet*, March 20, 1779.

[2] *Pennsylvania Packet*, March 13, 1779.

[3] *Life of President Reed*, by W. B. Reed, vol. ii, p. 57.

to their allegiance. *He is now counterfeiting another emission which* will soon be out."

The distrust exhibited by the enemy towards the continental currency was begun to be shared in even by the American rulers. Goods and supplies were plenty, but their owners would not sell except for hard money; for *continental money*, not a handful could be obtained.[1] "The state of our currency is really serious," writes John Jay[2] as president of congress to General Washington; "where, or by what means the progress of its depreciation will be prevented, is uncertain. The subject is delicate, but the conduct of some men really indicates at least great indifference about it." The fluctuating currency, with the opportunities it afforded for speculation and for oppression, was too much loved by the dishonest for them to readily permit any measures to be taken for its improvement.

General Washington also notices with regret and discomfort the continued fall in the value.[3] "The great impediment to all vigorous measures, is the state of our currency. What prospects there are of relieving it, what is to be expected from the measures taken to that effect, the committee to whom the subject is familiar, and by whom it is best understood, will judge. * * * * * If the vast expenditures necessary to the plan under consideration were to be made, I should have little hope of the success of any project for raising the value of the currency that can be adopted."

[1] *Pennsylvania Archives*, vol. vii, p. 186.

[2] *Letters to Washington*, vol. ii, p. 284.

[3] *Washington's Letters*, vol. vi, p. 161.

In a subsequent letter,[1] he writes that the depreciation has arrived at such an alarming point "that a wagon load of money will scarcely purchase a wagon load of provisions!" The congress issued between the first day of January and the first day of May, no less a sum than sixty-five million eight hundred and eighty dollars, and had made arrangements to borrow twenty millions in addition. It is no wonder that such masses of currency should sink in worth; it is really a matter of surprise that they circulated at all. Nothing but fervid faith and patriotism could ever have kept them in circulation at any value. The council of Pennsylvania called the attention of congress to the state of the currency[2] and it was resolved that every Monday, Wednesday and Friday immediately after the reading of the journal and of the correspondence, the subject of finance should be considered to the utter exclusion of all other business; this regulation was not to be deviated from unless by the unanimous consent of the members. An additional tax of forty-five millions was levied upon the states[3] of which the proportions were afterwards[4] established.

Embargoes, tender laws and limitations of prices still proved unavailing; the latter obtained general belief as

[1] *Washington's Letters to the President of Congress*, vol. vi.

[2] *Pennsylvania Archives*, vol. vii, p. 416.

[3] *Journal of Congress*, May 19, 1779.

[4] The amounts demanded from each state do not essentially differ from the taxes already given and are not here reproduced as it would be but a waste of room. They may be found in their entirety in the Journal of Congress as cited.— *Journal of Congress*, May 21, 1778.

the best mode of giving value to the continental notes. The harshest measures were planned and executed ;[1] great pains were taken to regulate the commerce of the country, although many knew that such action could but be impracticable and lead to no good results. President Reed[2] acknowledged that the committees for regulating prices, and for inquiring into the sales of goods, were "effusions of honest but intemperate zeal to preserve the credit of the paper money. Time and experience have shown their futility."

Pennsylvania, being in the closest contact with congress, was the more ready to execute its recommendations. Early in January 1779, the excutive council issued a proclamation threatening the heaviest penalties against those who should be guilty of *forestalling* and *engrossing*. The evil was not remedied as the paper money continued rapidly to decrease in value. Congress[3] instead of taking into proper consideration the means of relief by foreign loans and by calling in their emissions, "were engaged in a profitless and discreditable controversy arising out of the

[1] As a specimen, annexed is the regulation of prices ordered for bread as found in the *Pennsylvania Packet* of April 28, 1779.

Assize of bread for the city of Philadelphia, Northern Liberties and Southwark.

A white loaf of fine flour to weigh 1*lb.*, 6*oz.*, for 5*s.*

One loaf of ditto, to weigh 2*lb.* for 7*s.*

Set April 27, 1779, by John Ord, Plunket Fleeson, Benjamin Paschall, Isaac Howell, William Adcock, William Ball and William McMullin, justices of the peace for the city and county of Philadelphia.

[2] *Life of President Reed*, vol. ii, p. 140.

[3] *Life of President Reed*, vol. ii, p. 142.

conduct of Silas Deane," one of the commissioners of the United States, to the court of France.

On the 26th of May, the president of the council of Pennsylvania and others, were admitted to the floor of congress, to which body they presented a memorial, showing forth the hardships, and asking for coöperation and relief. "This was meant to solicit the interposition of congress, so as to avert the popular movement which seemed to be impending." A public meeting had been called, for the purpose of considering the matters in question, and it was feared that the populace becoming excited, might proceed to measures of violence. The petition was referred to the board of treasury, and the report of Messrs. Dickinson, Drayton and Duane, was agreed to, concerning the form of an address to the states. The document was as follows:

"TO THE INHABITANTS OF THE UNITED STATES OF AMERICA:

Friends and Countrymen: — The present situation of public affairs demands your most serious attention, and particularly the great and encreasing depreciation of your currency, requires the immediate, strenuous and united efforts of all true friends to their country, for preventing an extension of the mischiefs that have already flowed from that source.

"America, without arms, ammunition, discipline, revenue, government or ally, almost totally stript of commerce, and in the weakness of youth, as it were with a 'staff' and a sling' only, dared 'in the name of the Lord of Hosts,' to engage a gigantic adversary, prepared at all points, boasting of his strength, and of whom even mighty warriors 'were greatly afraid.'

"For defraying the expences of this uncommon war, your representatives in congress were obliged to emit paper money; an expedient that you knew to have been before generally and successfully practised on this continent.

"They were very sensible of the inconveniences with which too frequent emissions would be attended, and endeavored to avoid them. For this purpose they established loan offices so early as in October, 1776, and have from that time to this repeatedly and earnestly solicited you to lend them money on the faith of the United States. The sums received on loan have nevertheless proved unequal to the public exigencies. Our enemies prosecuting the war by sea and land with implacable fury and with some success, taxation at home and borrowing abroad, in the midst of difficulties and dangers, were alike impracticable. Thence the continued necessity of new emissions.

"But to this cause alone we do not impute the evil before mentioned. We have too much reason to believe it has been in part owing to the artifices of men who have hastened to enrich themselves by monopolizing the necessaries of life, and to the misconduct of inferior officers employed in the public service. * * * * * * * * * * * * In vain will it be for your delegates to form plans of economy, to strive to stop a continuation of emissions by taxation or loan, if you do not zealously coöperate with them in promoting their designs, and use your utmost industry to prevent the waste of money in the expenditure, which your respective situations in the several places where it is expended may enable you to do. A discharge of the duty, and a compliance with recommendations for

supplying money, might enable congress to give speedy assurances to the public that no more emissions shall take place, and thereby close that source of depreciation.

"Your government being now established, and your ability to contend with your invaders ascertained, we have on the most mature deliberation judged it indispensably necessary to call upon you for forty five millions of dollars, in adddition to the fifteen millions required by a resolution of congress of the 2d of January last, to be paid into the continental treasury before the 1st day of January next, in the same proportion, as to the quotas of the several states, with that for the said fifteen millions.

"It appeared proper to us to fix the first day of next January for the payment of the whole; but as it is probable that some states, if not all, will raise part of the sum by installments or otherwise before that time, we recommend in the strongest manner the paying as much as can be collected, as soon as possible, into the continental treasury.

"Though it is manifest that moderate taxation in times of peace will recover the credit of your currency, yet the encouragement which your enemies derive from its depreciation, and the present exigencies demand great and speedy exertions.

"We are persuaded you use all possible care to make the promotion of the general welfare interfere as little as may be with the ease and comfort of individuals; but though the raising these sums should press heavily on some of our constituents, yet the obligations we feel to your venerable clergy, the truly helpless widows and orphans, your most gallant, generous, meritorious officers and soldiers, the

publick faith and the commonweal, so irresistably urge us to attempt the appreciation of your currency, that we cannot withhold obedience to those authentative sensations."

On the next day, pursuant to a call,[1] a public meeting of the citizens of Philadelphia, was held in the State House yard, over which General Roberdean presided. On taking the chair he delivered a speech calculated yet more to increase the already inflamed populace, to the following effect:

That the dangers the community now suffered from arose from evils created among themselves; that the getting rich upon the disasters and ruin of the country, was the cause of the present troubles. "*The way to make our money good is to reduce the prices of goods and provisions. The tax that has been laid upon us by monopolizers and forestallers within these six months past, for it may justly be called a tax, amounts to more money than would carry the war on twelve months to come.*" That goods had risen steadily from week to week, and that therefore means should be taken to reduce the prices in a similar gradual manner; that the high rates did not arise from the scarcity of articles, as the more that was brought into the city, the more were the values raised. He closed by submitting the following preamble and resolutions:

[1] *Pennsylvania Packet*, May, 1779. This meeting was ridiculed in a ballad called *The Town Meeting*, which may be found in Watson's *Annals of Philadelphia*, edit. 1850, vol. ii, p. 304. We quote one verse.

"The trained bands of Germantown,
With clubs and bayonets came down,
And swell'd the motley train;
Resolv'd to change, like him of old,
Old rags and lampblack into gold,
Or chaos bring again."

"*Whereas*, the price of goods and provisions have, within the space of five or six months, risen to an enormous height, far beyond what they ought to be in proportion to the quantity of the money. The prices of dry goods have arisen, when they ought to have decreased, and every new cargo, instead of lessening the prices, have raised them.

"*Resolved*, That the public have a right to inquire into the causes of such extraordinary abuses, and prevent them. * * * * * And *whereas*, the prices of rum, sugar, flour, coffee and tea have greatly arisen within this week past, without any real or apparent cause; and as it is our determination not to be eaten up by monopolizers and forestallers; Therefore

"*Resolved*, That we unconditionally insist and demand that the advanced or monopolized price of the present month be instantly taken off, and that the prices of those articles be immediately reduced to what they were the first of May instant."

Resolutions were also carried appointing a committee to determine and publish from time to time fixed prices for goods and commodities.

On the following day the committee met and published the following notice.

COMMITTEE ROOM, May 26, 1779.

Agreeable to a resolution of the general town meeting held in the State House Yard the 25th inst.

The committee for ascertaining the price of rum, sugar, flour, tea and coffee, as they stood on the first day of the present month, do hereby publish the following:

		£	s.	d.
West India Rum,	per gallon,.....	6	15	0
Country Rum,	per gallon,.....	5	0	0

		£	s.	d.
Tea by the chest,	per lb.,	4	10	0
Brandy by the keg,	per gallon,	7	0	0
Molasses by the hogshead,	per gallon,	4	12	0
Coffee,	per lb.,		17	0
Loaf Sugar, wholesale,	per lb.,	2	12	6

Muscovado from £105 to £130 per hundred.

Turks' Island Salt, £10 per bushel.

Common French Salt, £6 10*s.* per bushel.

		£	s.	d.
Merchantable Flour,	per hundred,	20	0	0
Middling do.,		15	0	0
Ship Stuff,		13	0	0
Shorts,	per bushel,	4	10	0
Bran,[1]	per do.,	3	15	0

TO OUR FELLOW CITIZENS IN TOWN AND COUNTRY:

Convinced as we all are of the absolute necessity of lowering the prices in order to raise the value of the currency, and seriously anxious of carrying the resolutions of the meeting into effectual execution, we do earnestly recommend in the first instance, a cheerful compliance with the above resolves, and likewise that as few purchases as possible may be made for the present, either of *dry goods or any other kind of imported goods*, otherwise it will embarass the object hoped to be obtained.

It is only by degrees that evils of this kind can be remedied, and no plan appears more rational than to lower the prices in the same proportions they have been advanced. * * * *

BY ORDER OF THE COMMITTEE.

N.B. — The committee have the pleasure of informing the public that molasses and salt are cheaper this day than they were on the first of May. The prices as printed above have been taken from the Merchants' and Traders' books.

[1] Subsequently these prices were altered.

A ship had arrived laden with goods and consigned to Robert Morris; a committee was appointed to wait upon him and inquire what his action had been in relation to it. The stores it contained were really for the use of the French fleet but the people chose to believe that they were for the use of the *monopolizers* and forestallers.

The committee possessed absolute and unlimited power. Its method of proceeding is already indicated in the foregoing extracts. Its sessions were permanent. The example set in Philadelphia was followed throughout all the rest of Pennsylvania; and others of the states chimed in with similar regulations. The more stringent and arbitrary the action, the more patriotic were such bodies considered.

On the 31st of May the following notice was given by the committee:

Notice is hereby given that the committee will ascertain as soon as possible, the wholesale and retail prices of goods as they stood on the first day of April last, and that the prices to be fixed in consequence thereof, are to become current on the first day of July next ensuing; and to remain so till the next regulation.

The prices, as they are already fixt, being reduced to what they were on the first day of May, are to remain in being for the month June, or as much cheaper as buyer and seller can agree.

Resolved, That it be recommended to our fellow citizens in the country, who supply the markets in this city with produce and provisions, that they likewise lower their prices.

Resolved, That if any inhabitant or inhabitants of this city shall be detected in offering or giving an extravagant price for any articles brought to market, such person or persons, whoever they may be, shall be summoned to appear at the Coffee House on that or the ensuing market day or at the General Town Meeting, as the case

[1] *Pennsylvania Packet*, June 1, 1779.

may require. And that if any person or persons shall be detected in unjustly imposing on people coming to market, by forcably obliging them to take prices for their commodities below their value, that such person or persons shall be held up as aforesaid.

Resolved, That an enquiry be made into the old and and present rent of houses.

And whereas, the numerous articles of dry goods and variety of their assortments render it difficult to ascertain and fix their several values, the committee do therefore recommend to the public to *be as slack in making purchases for the present*, as their necessity will admit of. And do hereby inform that they will enquire into the prices of broad and narrow cloths, and such other principal articles in the dry goods trade, as when fixt may lead to a knowledge of the comparative value of other articles.

And whereas, in the present time of general suffering and resentment, it may happen that innocent persons may, by mistake, be exposed to the unmerited censure of their fellow citizens, while those who truly deserve it escape—This committee, therefore, in order to prevent as much as in them lie any mistakes, and the consequences arising therefrom, as well as to carry the resolves of the General Town Meeting into effectual execution, will receive information, either in writing or personally, against persons transgressing the resolutions of the General Town Meeting, or evading, or obstructing, the execution of the same, and that after having ascertained the charge, the person so offending to be notified thereof in writing, signed by the chairman.

Resolved, That a committee of three do sit by rotation at the Court House, from nine to twelve every day (Sundays excepted), to receive complaints, and to report the same to the general committee.

Resolved, That the committee will not take on themselves to determine the punishment due to any person, or persons, who shall transgress the resolves of the general town meeting; but that after

having ascertained facts will leave such person or persons to make their peace with the public the best way they can; unless desired to interpose.

Embarrassments arose from these resolutions; even this severe action seemed ineffectual. On the 2d of June, the committee determined on personally visiting those who held and dealt in flour, to advise them to sell a quantity not exceeding one barrel to each family, at regular prices.

In the *Pennsylvania Packet*, of June 5th, 1779, an anonymous writer gives his views on the subject of limitations of prices. "I am one of those who think that a limitation of prices is absolutely necessary. I am sure every man must wish it as the only means to get rich. Some people think that we ought to have a regulating law; but I do not conceive that the regulation of prices is the business of government, neither do I wish to see such an example set, if it can be otherwise effected, lest it should become an example for the legislature to do it hereafter as a matter of right. We have all been wrong in our notions of getting rich. It is true, we have got money. I have more money than I ever had, but I am poorer than I ever was. I had money enough some time ago to buy a hogshead of sugar. I sold it again, and got a great deal more money for it than it cost me; yet what I sold it for when I went to market again, would buy but a tierce. I sold that tierce for a great deal of profit; yet the whole of what I sold it for, would afterwards buy but a barrel. I have now more money than ever I had, yet I am not so rich as when I had less. This is what I have experienced myself, and I believe every man in town and country feels the same loss. I am sure we shall all grow poorer and poorer,

unless we all fall on some method to lower our prices, and then the money we have to spare will be worth something. I am glad to see the affair begun upon. May God give it success; and let all the people say — AMEN."

Individual oppression, caused by personal malignity and party animosities, mingled with these attempts to correct prices. Merchants were constantly summoned before the committees. As already mentioned, even Robert Morris was interfered with in his endeavors to retain the French supplies.

On the 29th of June the committee made public a lengthy address.[1] The only hope of the enemy now remained in the bankruptcy of the continent, caused by the depreciation of the money; even among the Americans, all seemed to apprehend such an event as probable, but none put forth their hands to retard it. Every day the matter grew worse and the task heavier; had it not been timely seen to, bankruptcy, from the rate at which depreciation continued, from January to May, must have taken place in a few weeks.

The bankruptcy was of a most paradoxical kind, as it ensued from superabundance, and not the want of money. "Were it possible that the property of America could fail, her lands become barren, her rivers dried up, agriculture extinguished and population extinct, the currency would then want a foundation for its credit, an ability for its redemption; because in those cases it would be a representative of nothing. Having said thus much on the subject we shall conclude with recommending it to our sister states to concur with us in measures absolutely necessary at this

[1] *Pennsylvania Packet*, June 29, 1779.

time, for redeeming and supporting the credit of our currency, and of consequence individual prosperity. We wish to see committees formed in every state and county, whose immediate business it shall be to watch against the depreciation, and promote the value of the money."

The example as already mentioned was followed in other states. Persons who refused or depreciated the continental currency were arrested and held to bail or imprisoned. On the 17th of June the following handbill was found in Boston, apparently posted up during the preceding night.

SONS OF BOSTON! SLEEP NO LONGER!

WEDNESDAY, *June* 16, 1779.

You are requested to meet on the floor of the *Old South Meeting House* to morrow morning, at 9 o'clock, at which time the bells will ring.

Rouse and catch the Philadelphia spirit; rid the community of those *monopolizers* and *extortioners*, who, like *canker worms*, are knawing upon your vitals. They are reducing the currency to waste paper, by refusing to take it for many articles; the infection is dangerous. We have borne with such wretches, but will bear no longer. Public *examples*, at this time would be public *benefits!* You, then, that have articles to sell, lower your prices; you that have houses to let, refuse not the currency for rent; for inspired with the spirit of those heroes and patriots, who have struggled and bled for their country, and moved with the cries and distresses of the widow, the orphan and the necessitous, Boston shall no longer be *your* place of security! Ye inhabitants of Nantucket, who first introduced the accused crime of refusing paper money, quit the place, or destruction shall attend your property, and your persons be the object of VENGEANCE.

N.B. — Lawyers, keep yourselves to yourselves.

† It is our determination to support the reputable merchant and fair trader.

A meeting of merchants was also held in Boston[1] who determined that there should be no further advance in prices, and that after the fifteenth of July they should be reduced to the point at which they stood on the first day of May last. They resolved that they would neither buy nor sell silver or gold, nor any property whatever for either of them; that they would expose all persons transgressing this regulation, and that they would bring to justice all persons concerned in monopolizing and forestalling.

In Albany[1] the same spirit prevailed; the citizens now "stepped foward to remedy the evil which threatened destruction to the land." A committee was chosen who regulated prices. "Last week two transgressors, who *sold rum for more than the regulated price*, were publicly cried through the city by order of the committee, as having incurred the just indignation of the people. The inhabitants ordered them immediately to appear before them, being met at the market place, where, by falling on their knees on a scaffold, they acknowledged themselves guilty, and promised to abide by and assist the orders of the committee, upon which they were discharged. *Hard money is not to pass here any more;* we have lately hung up and burned in effigy a dealer in hard money."

The Maryland militia at their camp, at the head of Elk river, on the 21st of June[1] passed resolutions denouncing monopolizers and forestallers. But they did not rest content with such action. They declared that the constitution and laws of that state were, if properly executed, a

[1] *Pennsylvania Packet*, June 29, 1779.

sufficient remedy and that, while binding themselves to support the civil authority to see them carried into effect as intended by law, no man nor set of men should be permitted to usurp the legislative or executive powers. This was a bold protest, which was far in advance of the course taken in any other of the states.

Different indeed was the action taken on the 28th of June by the artillery[1] company of Philadelphia on their return from a tour of duty at Mud island. They held a meeting and adopted resolutions "of a character most unprecedented even in those days of disaster." They declared their entire approbation of and acquiescence in the resolves of the town meeting and added: "But notwithstanding we are convinced much good has arisen from the said resolves, and your appointment at said meeting, and are well assured that your proceedings are attended with many difficulties, and require the most indefatigable attention and vigilance; yet we are very sorry to observe that designing and interested persons endeavor by every means to elude your judicious intentions, and that something more *poignant* and *striking* must at length bring them to reason. We have arms in our hands and know the use of them—and are ready to support your Honorable Board in fully executing the righteous and equitable measures for which you were appointed; *nor will we lay them down till this is accomplished.* We wish not to have the preeminence; but we will no longer be trampled upon. We do therefore declare that we will support and defend the Executive power, and your Honorable Board in relieving the oppressed and punishing the aggressors. That the

[1] *Pennsylvania Packet*, July 1, 1779.

prices of all commodities shall be reduced on the first of July to what they were on the first of April last, and that not only West India and foreign produce, but that also house rent, dry goods and the necessaries of life brought to market be proportionably lowered in price. That we will see the virtuous, innocent and suffering part of the community redressed, and endeavor to divest this city of the disaffected, inimical, and preyers on the vitals of the inhabitants, be their rank or station what it may. And if by reason of the obstinacy and perverseness of individuals, your committee find themselves inadequate to the task, *our drum shall beat to arms.*" The committee presented their thanks to the company for "their generous and public spirited address;" such public spirit as dwelt in Caligula or Domitian, Charles the ninth of France or James the first of England; the public spirit that could dwell in men who would exult in the miseries of their fellow beings.

A committee met,[1] for objects similar to those of the Philadelphia one, on the 16th of June at Lancaster; Christopher Marshall was chosen to preside. Limitations of prices were adopted upon the same plan. They also adverted to what appeared to be of great importance, "the great depreciation of our currency," which they apprehended to arise "from that atrocious, vile practice of buying and selling that which is called *Hard Money.* To

[1] In Massachusetts a convention was held at Concord on the 6th of October for the purpose of regulating prices. Its action was similar to that of the rest. — *Pennsylvania Packet*, October 30, 1779.

Its resolves were approved of at a town meeting of the citizens of Boston held on the 19th at Faneuil Hall, over which *Samuel Adams* presided. — *Pennsylvania Packet*, November 2, 1779.

suppress and to root out so pernicious an evil they were determined "to bring on a level what is called *Half Joes* to the value of an eight dollar continental bill." They felt however that they were attempting a very difficult task; in later days, no doubt, when all the hardships and oppressions had been practiced, they saw the utter inutility of such a course.

At Christiana Bridge in Delaware, a meeting was held on the 22d of June with similar results; among the resolutions adopted there was one to the effect that no merchandize or flour should be permitted to be bought within the county, unless the person purchasing produced a certificate from the committee for the district in which he resided, that he was loyal and friendly to the liberties of the United States.

On the 26th of July a second town meeting was held in Philadelphia.[1] A plan was adopted for stopping the emissions and raising a revenue by subscription. The proceedings were disorderly; speakers who attempted to deprecate the popular feeling were met with tumultuous demonstrations. General John Cadwalader was among the number thus assailed.

The plan was couched in the following language:[2]

PLAN FOR IMPROVING THE CURRENCY, 1779.

Philadelphia, August, 1779.

TO HIS EXCELLENCY THE PRESIDENT, AND THE SUPREME EXECUTIVE COUNCIL:

We have the honor of presenting to council, the inclosed printed plan for stopping the emissions, and raising a revenue by subscrip-

[1] *Pennsylvania Packet,* July 27, 1779.

[2] *Pennsylvania Archives,* vol. vii, p. 621.

tion, which after being published in the newspapers and in handbills, for the consideration of the public, and twice read at a general town meeting, held in the state house yard, on the 26th day of July last, was unanimously approved, and the subscribers, part of whom are the proposers and projectors of the same, were at the said town meeting, unanimously appointed a committee to wait upon his Excellency Joseph Reed, Esq., president, the Honorable George Bryan, Esq., vice president, and other members of the supreme executive council, and to confer with them thereon, and request their assistance in carrying the same into execution as soon as possible.

It is with the utmost pleasure that we execute this unanimous resolution of our fellow citizens, and at the same time, that we feel the most flattering hopes from the plan itself, and from the cheerful concurrence of all orders of men to promote and support it, we have likewise the most perfect confidence that the wisdom and patriotism of council, will afford to them every assistance which to them shall appear necessary and convenient.

By a unanimous vote, we are directed to present it to you in the name of the citizens of Philadelphia and its neighborhood, and that the same be hereafter known by the title of *The Citizen's Plan*, under which authority and title, we hereby discharge this part of the trust with which we have been honored.

We are of opinion, that the experiment may be very quickly made in this city, and the success which we hope it will here meet with, will give it an honorable introduction into other states, for we are happy to observe, that however various individuals may be in matters of personal politics, all are united in a determination to support measures for establishing the currency and stopping the emissions. We therefore beg leave to submit the following method to the opinion of council:

First. That subscription books be immediately prepared, one for each ward, and that the general committee, of which most of us

have the honor to be members, do nominate two proper persons at least, in each ward, to go from house to house to solicit subscriptions.

Secondly. That the persons to whom that part of the business shall be entrusted, do only receive the subscriptions in the handwriting of each person, but not any part of the money.

Thirdly. That the books when completed, be lodged with the supreme executive council, and copies of them with this committee, until a law be passed to secure to each subscriber the money he shall deposit, by exempting him from paying taxes, until his future taxes shall be equal to his subscription, or until the expiration of three years, agreeable to the 2d article.

Fourthly. That immediately on passing such a law, government to appoint persons to collect the money; but as we wish the whole to be an honorary undertaking, we hope the gentlemen who may be appointed to that service to consider it in that light, accepting the disbursement of their expenses only.

Fifthly. That the above method, if approved, be recommended to the several counties, as well from this committee, as from the general committee, with such assistance as government shall please to give them.

We have likewise to request council, to confer with congress on the subject, and to desire them, either collectively or individually, to recommend the same to be generally adopted, and as we on our part, shall take the earliest opportunity to send and propose the same to the citizens of each state, we request the council would be pleased to transmit it likewise to the several governments, under the sanction of their recommendation.

In the meantime the people were divided in their opinions as to the efficacy of the proposed measures. "A struggle of an interesting kind," writes President Reed,[1] "is

[1] *Pennsylvania Archives*, vol. vii, p. 572.

now going on" as to whether the continental money was dying past all hope, or else that by a vigorous political effort it was about to throw off the disorder, and to emerge from the trial with the confidence and value which, in earlier days, it had possessed. "Time alone must determine. It is a good eruption, and shows there is strength in the constitution, though it has long labored under the disease of depreciation."

On the 17th of August, 1779, General Washington wrote to Lund Washington,[1] no longer to receive the continental money at par value for old debts. We may rest assured that such action could only have been taken by him at the very latest moment.

"Some time ago you applied to me to know if you should receive payment of General M—'s bonds, and of the bond due from the deceased Mr. M—'s estate to me; and you were, after animadverting a little upon the subject, authorized to do so. Of course I presume the money has been received. I have since considered the matter in every point of view in which my judgment enables me to place it, and am resolved to receive no more old debts (such I mean as were contracted and ought to have been paid before the war) at the present nominal value of the money, unless compelled to do it, or it is the practise of others to do it. Neither justice, reason nor policy requires it. The law undoubtedly was well designed. It was intended to stamp a value upon, and to give a free circulation to the paper bills of credit, but it never was nor could have been intended to make a man take a shilling or sixpence in the pound for a just debt which his debtor is well able to pay, and thereby involve himself in ruin. I am as willing now, as I ever was, to take paper money for every kind of debt, and at its present depre-

[1] *Washington's Letters*, edit. Sparks, vol. vi, p. 321.

ciated value for those debts which have been contracted since the money became so; but I will not in future receive the nominal sum for such old debts as come under the above description, except as before specified. The fear of injuring by any act of mine, the credit of our paper currency, if I attempted to discriminate between the real and nominal value of paper money, has already sunk for me a large sum, if the bonds before mentioned are paid off; the advantage taken in doing which, no man of honor or common honesty can reconcile to his own feelings or conscience; not as respects me do I mean, but transactions of this kind generally. * * * * * * * * If it be customary with others to receive money in this way, that is, sixpence or one shilling on the pound for old debts; if it is thought to be promotive of the great cause we are embarked in for individuals to do so, thereby ruining themselves while others are reaping the benefit of such distress; if the law imposes this, and it is thought right to submit, I will not say aught against it nor oppose another word to it. No man has gone, and no man will go further to serve the republic than myself. If sacrificing my whole estate would effect any valuable purpose, I would not hesitate one moment in doing it; but my submitting in matters of this kind unless the same is done by others, is no more than a drop in the bucket. In fact it is not serving the public, but enriching individuals, and countenancing dishonesty; for sure I am, that no honest man would attempt to pay twenty shillings with one, or perhaps half of one. In a word I had rather make a present of the bonds, than receive payment of them in so shameful a way."

An angry controversy also charged on President Reed the refusal of the continental currency.[1]

A short retrospect is now necessary to view what congress determined upon while the people were endeavoring to create their own remedy. We find that they resolved

[1] *Pa. Col. Rec.*, xii, p. 65, et seq.

to issue between May 1st and September 1st, thirty-five millions, four hundred and eighty dollars, and to borrow, if practicable, twenty millions of dollars additional. The tardy payments of taxes by the states forced upon congress these measures. The Treasury department was also again remodeled.[1]

On the 26th of August congress called upon the treasury board for a statement of the moneys emitted by resolve of congress to the tenth day of September then next ensuing. Finding it inexpedient to continue[2] to derive the supplies for the war from further issues of bills of credit, they resolved that on no account should more than two hundred millions of dollars be emitted, and that the amount, $40,051,120, now necessary to complete that sum should not be struck, if by any other possible means the public service could be carried on.

An address was prepared by them and transmitted to the States.[3] After some preliminary matter it proceeds thus:

* * * * * * * Armies were to be raised, paid and supplied; money became necessary for these purposes. Of your own there was but little; and of no nation in the world could you then borrow. The little that was spread among you could be collected only by taxes and to this end regular governments were essential: of these you were also destitute. So circumstanced, you had no other resource but the natural value and wealth of your fertile country. Bills were issued on the credit of this bank, and your faith was pledged for their redemption. After a considerable number of these were

[1] *Journal of Congress*, July 30, 1779.

[2] *Journal of Congress*, September 1, 1779.

[3] *Journal of Congress*, September 13, 1779.

circulated, loans were solicited and offices for the purpose established. Thus a national debt was unavoidably created and the amount of it is as follows:

Bills emitted and circulating.....	$159,948,880
Monies borrowed before the 1st of March 1778 and of which the interest is payable in France.....	7,545,196$\frac{67}{90}$
Monies borrowed since the 1st of March 1778 the interest of which is payable here.....	26,188,909
Money due abroad, not exactly known, the balance not having been transmitted, supposed to be about.....	4,000,000

For your further satisfaction, we shall order a particular account of the several emissions, with the times limited for their redemption, and also of the several loans, the interest allowed on each, and the terms assigned for their payment, to be prepared and published.

The taxes have as yet brought into the treasury no more than $3,027,560, so that all the monies supplied to congress by the people of America, amount to no more than 36,761,665 dollars and 67-90ths, that being the sum of the loans and taxes received. Judge then of the necessity of emisssions, and learn from whom and from whence that necessity arose. * * * * *

Exclusive of the great and ordinary expenses incident to the war the depreciation of the currency has so swelled the price of every necessary article, and of consequence made such additions to the usual amount of expenditures, that very considerable supplies must be immediately provided by loans and taxes; and we unanimously declare it to be essential to the welfare of these states, that the taxes already called for be paid into the continental treasury by the time recommended for that purpose. * * * * * *

Having thus given you a short and plain state of your debt, and pointed out the necessity of punctuality in furnishing the supplies already required, we shall proceed to make a few remarks on the depreciation of the currency to which we intreat your attention.

The depreciation of bills of credit is always either natural or artificial, or both. The latter is our case. The moment the sum in circulation exceeded what was necessary as a medium in commerce, it began and continued to depreciate in proportion as the amount of the surplus encreased; and that proportion would hold good until the sum emitted should become so great as nearly to equal the value of the capital or stock, on the credit of which the bills were issued. Supposing, therefore, that 30,000,000 was necessary for a circulating medium, and that 160,000,000 had issued, the natural depreciation is but little more than as five to one: but the actual depreciation exceeds that proportion, and that excess is artificial. The natural depreciation is to be removed only by lessening the quantity of money in circulation. It will regain its primitive value whenever it shall be reduced to the sum necessary for a medium of commerce. This is only to be effected by loans and taxes.

The artificial depreciation is a more serious subject, and merits minute investigation. A distrust (however occasioned), entertained by the mass of the people, either in the ability or inclination of the United States to redeem their bills is the cause of it. Let us enquire how far reason will justify a distrust in the ability of the United States.

The ability of the United States must depend on two things; first, the success of the present revolution; and secondly, on the sufficiency of the natural wealth, value and resources of the country.

That the time has been when honest men might, without being chargeable with timidity, have doubted the success of the present revolution, we admit; but that period is passed. The independence of America is now fixed as fate, and the petulant efforts of Britain to break it down are as vain and fruitless as the raging of the waves which beat against their cliffs. * * * *

This point being established, the next question is whether the natural wealth, value and resources of the country will be equal to the payment of the debt?

Let us suppose for the sake of argument, that at the conclusion of the war, the emissions should amount to 200,000,000, that exclusive of supplies from taxes, which will not be inconsiderable, the loans should amount to 100,000,000, then the whole national debt of the United States would be 300,000,000. There are at present 3,000,000 of inhabitants in the thirteen states: three hundred million of dollars divided among three million of people, would give to each person one hundred dollars; and is there an individual in America unable in the course of eighteen or twenty years to pay it again? Suppose the whole debt assessed, as it ought to be, on the inhabitants in proportion to their respective estates, what would then be the share of the poorer people? Perhaps not ten dollars. Besides, as this debt will not be payable immediately, but probably twenty years allotted for it, the number of inhabitants by that time in America, will be far more than double their present amount. It is well known that the inhabitants of this country encreased almost in the ratio of compound interest. By natural population they doubled almost every twenty years, and how great may be the host of emigrants from other countries, cannot be ascertained. We have the highest reason to believe the number will be immense. Suppose that only ten thousand should arrive the first year after the war, what will those ten thousand with their families count in twenty years time? — probably double the number. This observation applies with proportionable force to the emigrants of every successive year. Thus you see a great part of your debt will be payable not merely by the present number of inhabitants, but by that number swelled and encreased by the natural population of the present inhabitants, by multitudes of emigrants daily arriving from other countries, and by the natural population of those successive emigrants, so that every person's share of the debt will be constantly diminishing, by others coming in to pay a proportion of it.

* * * Let it be remembered that paper money is the only kind of money which cannot "*make unto itself wings and fly away.*"

It remains with us, it will not forsake us, it is always ready and at hand for the purpose of commerce or taxes, and every industrious man can find it. * * * Having shown that there is no reason to doubt the ability of the United States to pay their debt, let us next inquire whether as much can be said for their inclination.

Under this head three things are to be attended to.

1st. Whether and in what manner the faith of the United States has been pledged for the redemption of their bills.

2d. Whether they have put themselves in a political capacity to redeem them, and

3d. Whether, admitting the two former propositions, there is any reason to apprehend a wanton violation of the public faith.

1st. It must be evident to every man who reads the journals of congress or looks at the face of one of their bills, that congress have pledged the faith of their constituents for the redemption of them. And it must be equally evident, not only that they had the authority to do so, but that their constituents have actually ratified their acts by receiving their bills, passing laws establishing their currency, and punishing those who counterfeit them. So that it may with truth be said that the people have pledged their faith for the redemption of them, not only collectively by their representatives, but individually.

2d. Whether the United States have put themselves in a political capacity to redeem their bills, is a question which calls for more full discussion.

Our enemies, as well foreign as domestic, have labored to raise doubts on this head. They argue that the confederation of states remains yet to be perfected; that the union may be dissolved, congress be abolished, and each state resuming its delegated powers proceed in future to hold and exercise all the rights of sovereignty appertaining to an independent state. In such an event, say they, the continental bills of credit, created and supported by the union, would die with it. * * * Examine this matter. * * * On the 4th

of July, 1776, your representatives in congress perceiving that nothing less than unconditional submission would satisfy our enemies, did in the name of the people of the thirteen united colonies declare them to be free and independent states, and "for the SUPPORT of that declaration, with a firm reliance on the protection of divine providence, did mutually pledge to each other, their LIVES, their FORTUNES, and their SACRED HONOUR." Accordingly for the direct SUPPORT of this declaration, that is, for the support of the independence of these states, armies have been raised, and bills of credit emitted, and loans made to pay and supply them. The redemption, therefore, of these bills, the payment of these debts, and the settlement of the accounts of the several states for expenditures or services for the common benefit, and in this common cause, are among the objects of this confederation. * * * * *

3d. Whether, admitting the ability and political capacity of the United States to redeem their bills, there is any reason to apprehend a wanton violation of the public faith?

It is with great regret and reluctance that we can prevail upon ourselves to take the least notice of a question which involves in it a doubt so injurious to the honor and dignity of America. The enemy, aware that the strength of America lay in the union of her citizens, and the wisdom and integrity of those to whom they committed the direction of their affairs, have taken unwearied pains to disunite and alarm the people, to depreciate the abilities and virtues of their rulers, and to impair the confidence reposed in them by their constituents. * * * Hence has proceeded the notable discovery that as the congress made the money they also can destroy it; and that it will exist no longer than they find it convenient to permit it. * * You surely are convinced that it is no more in their power to annihilate your money than your independence, and that any act of theirs for either of those purposes would be null and void. We should pay an ill compliment to the understanding and honour of every true American, were we to adduce many argu-

ments to show the baseness or bad policy of violating our national faith, or omitting to pursue the measures necessary to preserve it. A bankrupt, faithless republic, would be a novelty in the political world, and appear among respectable nations like a *common prostitute among chaste and respectable matrons.* The pride of America revolts from the idea; her citizens know for what purposes these emissions were made, and have repeatedly pledged their faith for the redemption of them; they are to be found in every man's possession, and every man is interested in their being redeemed; they must therefore entertain a high opinion of American credulity, who suppose the people capable of believing, on due reflection, that all America will, against the faith, the honor and the interest of all America, be ever prevailed upon to countenance, support, or permit so ruinous, so disgraceful a measure. * * * If then neither our ability or inclination to discharge the public debt are justly questionable, let our conduct correspond with this confidence, and let us rescue our credit from its present imputations. Had the attention of America to this object been unremitted, had taxes been seasonably imposed and collected, had proper loans been made, had laws been passed and executed for punishing those who maliciously endeavored to injure the public credit; had these and many other things equally necessary been done, and had our currency, notwithstanding all these efforts, declined to its present degree of depreciation, our case would indeed have been deplorable. Let it never be said that America had no sooner become independent than she became insolvent, or that her infant glories and growing fame were obscured and tarnished by broken contracts and violated faith, in the very hour when all the nations of the earth were admiring and almost adoring the splendor of her rising."

The idea of repudiation seems even to have held a place in the hearts of some of the prominent citizens. General Washington wrote to President Reed on the 22d of

August, using the following language:[1] "The sponge, which you say some gentlemen have talked of using, unless there can be a discrimination, and proper saving clauses provided (and how far this is practicable I know not), would be unjust and impolitic in the extreme. Perhaps I don't understand what they mean by using the sponge. If it be to sink the money in the hands of the holders of it, and at their loss, it cannot in my opinion stand justified upon any principles of common policy, common sense or common honesty. But how far a man, for instance, who had possessed himself of twenty paper dollars by means of one, or the value of one, in specie, has a just claim upon the public for more than one of the latter in redemption, and in that ratio according to the periods of depreciation, I leave to those who are better acquainted with the nature of the subject, and have more leisure than I have to discuss."

Here, as will be seen, is the first germ of the ultimate fate which awaited the notes. Already is it suggested that the notes should only be paid to the holder at the value they really possessed at the time they were received. The full fruition of these hints did not, however, arrive for some months.

In October,[2] congress ordered a monthly levy of fifteen millions to be collected from the states, from the first of February to the first of October then next ensuing; subsequently,[3] the quota to be obtained from each was appor-

[1] *Washington's Letters*, edit. Sparks, vol. vi, p. 331.

[2] *Journal of Congress*, October 6, 1779.

[3] *Journal of Congress*, October 7, 1779.

tioned, with the exception of Georgia, which being still in possession of the enemy was passed over for the present, but whose proportion was to be hereafter determined upon and raised. A new circular[1] on the finances of the confederacy, was prepared for the states to accompany the requisition.

As a further relief,[2] later in the year, congress resolved to draw bills of exchange to the amount of one hundred thousand pounds sterling, on Mr. John Jay, and to the same amount on Mr. Henry Laurens; and to sell the bills at the current value of money. Many regulations were prepared, under, and by which the bills were to be disposed of. On the 27th of December the exchange was fixed at twenty-five dollars for four shillings and sixpence sterling.

The currency depreciated during the year 1779, from eight dollars to forty-one and a half dollars, for one. During this time the amount emitted was one hundred and forty million, fifty-two thousand, four hundred and eighty dollars ($140,052,480); more than half of the whole quantity of the paper money issued by the congress during the war. There can be no reason for surprise that such a mass should have lost its value. The sinking pile would have fallen of its own weight, but even to this was added another cause. While the notes were of poor value and still diminishing, the practice of counterfeiting was yet kept up briskly. General Washington, writing to the president of congress,[3] on the 7th of December,

[1] *Journal of Congress*, October 9, 1779.

[2] *Journal of Congress*, November 23, 1779.

[3] *Washington's Letters*, vol. vi, p. 413.

1779, asserts that the enemy still continued this felonious act, having obtained from Philadelphia, the paper proper for the notes, and similar to that used in the last emission. President Reed, in a message to the Pennsylvania house of representatives[1] also mentions the fact, that counterfeiting the currency of the United States had made such an alarming progress as to require a severe and immediate check. "The counterfeiting the emissions of an early date is by special act of assembly a capital crime,[2] while the same practice is only punishable at common law in

[1] *Pennsylvania Packet*, November 16, 1779.

[2] The statement also appears in the following letter from Tom Paine to Henry Laurens. *Zenger Club Publications.*

"Sir: I take the liberty of mentioning an affair to you which I think deserves the attention of congress. The persons who came from Philadelphia some time ago with, or in company with, a flag from the enemy, and were taken up and committed to Lancaster jail for attempting to put off counterfeit continental money, were yesterday brought to trial and are likely to escape by means of an artful and partial construction of an act of this state for punishing such offences.

"The act makes it a felony to counterfeit the money *emitted* by congress, or to circulate such counterfeits, knowing them to be so. The offender's counsel explained the word *emitted* to have only a retrospect meaning by supplying the idea of *which have been emitted.* Therefore they say the act cannot be applied to any money emitted after the date of the act.

"I believe the words 'emitted by congress' mean only and should be understood to distinguish continental money from other money and not one time from another time. It has as I conceive no reference to any particular time, but only to the particular authority which distinguishes money so emitted from money emitted by the states, it is meant only as a description of the money, and not of the time of striking it but includes the idea of all time as inseparable from the continuance of the authority of congress.

"But be this as it may, the offence is continental and the consequence of

the case of late emissions, which has occasioned a distinction of punishments for the same offence, by no means consonant to the principles of reason and justice, or the feelings of mankind. We would therefore recommend the passing a law, subjecting all offenders to penal and equal punishment. * * * * * *

We cannot help expressing our concern and apprehensions on the state of public credit. The depreciation of the currency, and its fatal consequences to the honor and interest of America, seem now so generally felt and acknowledged, that we trust a safe and sure foundation is laid, for the success of any measures which may be adopted to check this growing and alarming evil."

the same extent. I can have no idea of any particular state pardoning an offence against all, or even their letting an offender slip legally who is accountable to all and every state for his crime. The place where he commits it is the least circumstance of it. It is a mere accident and has nothing or very little to do with the crime itself. I write this hoping the information will point out the necessity of the congress supporting their emissions by claiming any in this line where the present deficiency of the law or the partial interpretation of it operates to the injustice and injury of the whole continent."

The matters referred to in Mr. Paine's letter will also be found corroborated in : *Dallas's Reports*, I, page 406. Johnson *v.* Hocker.

Judge McKean in delivering the opinion of the court, made the following points :

1. That the act of assembly (of Pennsylvania) of the 29th of January, 1777, declares that a tender shall amount to an actual payment and discharge ; whereas a tender at common law only suspends the interest till a subsequent demand and refusal.

2. That a tender in continental bills issued before the 29th of January, 1777, is tantamount to payment.

3. That a tender in bills emitted after that period is merely a tender at common law.

The winter periods proved always trying to the American cause. That of 1779–80 was no exception. The seasons had been backward; the harvest scanty; and had they been otherwise it is a matter of doubt whether the husbandman would have planted more than was actually needed for the use of his family, as long as the surplus continued seizable by armed force. The disastrous epoch of Valley Forge met with a companion and counterpart in that of Morristown. For five or six weeks the army was on half allowance,[1] and at one time not more than three days' bread constituted the whole stock of that essential article. "When this is exhausted we must depend upon the precarious gleanings of the neighboring country. Our magazines are absolutely empty everywhere, and our commissaries entirely destitute of money or credit to replenish them." The officers lived for days on bread and water rather than take from the men any of their scanty allowance of meat.[2] The natural consequence of starvation is discontent, and this happened. The Connecticut line at one time assembled to return to their homes and leave the army to its fate; from which, however, they were dissuaded. This mutiny was the precursor of other military disturbances which followed in the next year. The pay of the troops in paper money was insufficient; nothing short of *hard money* seemed to promise a relief.

Early in the year congress[3] resolved that the executive power of every state should prepare and transmit to the

[1] *Washington's Letters.*

[2] Gen. Irvine to Mr. Reed. *Life of Pres. Reed*, vol. ii, p. 201.

[3] *Journal of Congress*, January 1, 1780.

treasury board a list of the commodities usually sold within each state and the prices asked in the year 1774; the commissary general and his assistants were to be guided in their purchases by these lists.

Subsequently[1] the states were called upon to furnish specific supplies in fixed proportions and at established prices.

A convention of delegates from New Hampshire, Rhode Island, Massachusetts, Connecticut and New York, which met at Hartford[2] in October of the past year for the purpose of regulating prices, had recommended a general convention of all the states as far south as Virginia to meet for the same objects at Philadelphia on the first Wednesday in January, 1780. The action of the convention drew forth the following resolutions of congress:[3]

Whereas, the fluctuating state of prices not only causes inequality and injustice in private dealings, and in furnishing the public supplies from the several states, but renders it impracticable to make the proper estimates for future expenses, and to fix equitable salaries for those employed in the service of the United States; and whereas the estimates, according to which the requisitions for the taxes of the succeeding year have been made, by the resolution of the 6th of October last, have been formed on the principle that the prices of commodities necessary for the public use would not exceed twenty fold of the former prices, and should they rise above that rate the taxes must be accordingly increased, but should they fall below it the surplus of the sum raised may be applied to the sinking fund; therefore,

[1] *Journal of Congress*, Feb. 25, 1780.

[2] *Pennsylvania Packet*, Nov. 18, 1779.

[3] *Journal of Congress*, Nov. 19, 1779.

Resolved, That it be earnestly recommended to the several states, forthwith to enact laws for establishing and carrying into execution a general limitation of prices throughout their respective jurisdictions, on the following principles and to commence in their operation from the first day of February next.

Articles of domestic produce, farming and common labour, the wages of tradesmen and mechanics, water and land carriage, not to exceed twenty fold of the prices current through the various seasons of the year 1774.

Articles imported from foreign parts to be in due proportion with labor and the articles as above stated, making a proper allowance for freight, insurance and other charges — Salt and military stores, whether of home manufacture or imported from abroad, to be excepted from limitation of price.

Resolved, That it be recommended to the several states to enact strict laws against engrossing and withholding, and to take the necessary measures for having the same carried into full execution.

Resolved, That the proceedings of the Commissioners from the Eastern States to New York inclusive, at their meeting in Hartford in Connecticut, on the twentieth of October last, discover a generous attention to the public good, and are well calculated to promote the same. It is nevertheless expected, that no time will be lost in giving effect to these resolutions as the same general purpose may thereby be attained and at an earlier period.

Resolved, That all officers and agents employed in making purchases for the United States, be directed to conform strictly to all regulations that are or may be established in the several states.

That accounts be kept and returns made by all persons employed to make purchases in behalf of the United states, or to hire vessels, carriages or men, for the service of the same, of the prices by them respectively given in such States, as shall not, before the first day of February, 1780, pass laws for the limitation of prices agreeable to

the recommendation contained in the foregoing resolutions, to the intent that such state as shall have neglected to pass laws for the purposes aforesaid, may respectively be charged in the public accounts with the aggregate amount of the difference of prices paid from and after the said first day of February, 1780, in such states, and those in which such laws may have been enacted.

Extract from the minutes,

CHARLES THOMSON, Secretary.

Such proceedures could afford but a temporary relief, and it does not appear that the proposed measures met with the desired unity of action.

The project of specific supplies was found to be impracticable; that of selling bills of exchange on Europe did not possess sufficient confidence to be entirely successful. A new scheme of finance was essayed.

On the 18th day of March congress agreed to the following resolutions; the idea which then entered their councils being that the credit of the individual states might be better than that of the collective whole, and that a currency to which was pledged the faith of the United States and that of the several commonwealth's might be better supported than that which depended alone upon a single promise.

"These United States having been driven into this just and necessary war at the time when no regular civil governments were established of sufficient energy to enforce the collection of taxes or to provide funds for the redemption of such bills of credit as their necessities obliged them to issue; and before the powers of Europe were sufficiently convinced of the justice of their cause or of the probable event of the controversy to afford them aid or credit, in consequence of which their bills increasing in quantity beyond the

sum necessary for the purpose of a circulating medium and wanting at the same time specific funds to rest on for their redemption they have seen them daily sink in value notwithstanding every effort that has been made to support the same: insomuch that they are now passed by common consent in most parts of these United States at least thirty-nine fortieths below their nominal value and still remain in a state of depreciation whereby the community suffers great injustice, the public finances are deranged and the necessary dispositions for the defence of the country are much impeded and perplexed; and whereas, effectually to remedy these evils for which purpose the United States are now become competent, their independence being well assured, their civil governments established and vigorous, and the spirit of their citizens ardent for exertion, it is necessary speedily to reduce the quantity of the paper medium in circulation, and to establish and appropriate such funds that shall ensure the punctual redemption of the bills; therefore,

Resolved, that the several states continue to bring into the said continental treasury by taxes or otherwise their full quotas of fifteen million dollars monthly, as assigned them by the resolution of the 7th of October, 1779; a clause in the resolution of the 23d of February last for relinquishing two thirds of the said quota to the contrary notwithstanding; and that the states be further called on to make provision for continuing to bring into the said treasury their like quotas monthly to the month of April, 1781, inclusive.

That silver and gold be receivable in payment of the said quotas at the rate of one spanish milled dollar in lieu of forty dollars of the bills now in circulation.

That the said bills as paid in except for the months of January and Febuary past, which may be necessary for the discharge of past contracts, be not reissued but destroyed.

That as fast as the said bills shall be brought in to be destroyed, and funds shall be established as hereafter mentioned for other bills,

other bills be issued not to exceed on any account one twentieth part of the nominal sum of the bills brought in to be destroyed.

That the bills which shall be issued be redeemable in specie within six years after the present, and bear an interest at the rate of five per centum per annum to be paid also in specie at the redemption of the bills or at the election of the holder annually, at the respective continental loan offices in sterling bills of exchange drawn by the United States or their commissioners in Europe at four shillings and sixpence sterling per dollar.

That the said new bills issue on the funds of individual states for that purpose established, and be signed by persons appointed by them, and that the faith of the United States be also pledged for the payment of the said bills in case any state on whose funds they shall be emitted should by the events of war be rendered incapable to redeem them: which undertaking of the United States and that of drawing bills of exchange for payment of interest as aforesaid shall be endorsed on the bills to be emitted and signed by a commissioner to be appointed by congress for that purpose.

That the face of the bills to be emitted read as follows, viz:

The possessor of this bill shall be paid.....Spanish milled dollars by the thirty-first day of December, 1786, with interest in like money at the rate of five per cent per annum, by the state of according to an act of the legislature of the said state of the day of 1780.

And the endorsement shall be as follows, viz:

"The United States insure the payment of the within bill, and will draw bills of exchange for the interest annually if demanded, according to a resolution of congress of the 18th day of March, 1780."

The said new bills shall be struck under the direction of the board of treasury in due proportion for each state according to their said monthly quotas, and lodged in the continental loan offices in the respective states, where the commissioner to be appointed by con-

gress in conjunction with such persons as the respective states appoint shall attend the signing of the said bills, which shall be compleated no faster than in the aforesaid proportion of one to twenty of the other bills brought in to be destroyed, and which shall be lodged for that purpose in the said loan offices.

That as the said new bills are signed and compleated the states respectively on whose funds they issue receive six tenths of them, and that the remainder be subject to the orders of the United States and credited to the states on whose funds they are issued, the accounts whereof shall be adjusted agreeably to the resolution of the sixth of October, 1779.

That the said new bills be receivable in payment of the said monthly quotas at the same rate as aforesaid of specie; the interest thereon to be computed to the respective states to the day of the payment becoming due.

That the respective states be charged with such parts of the interest on their said bills as shall be paid by the United States in bills of exchange, and the accounts thereof shall be adjusted agreeably to the resolution aforesaid of the sixth of October, 1779.

That whenever interest on the bills to be emitted shall be paid prior to their redemption, such bills should be thereupon exchanged for others of the like tenor, to bear date from the expiration of the year for which such interest is paid.

That the several states be called on to provide funds for their quotas of the said new bills to be so productive as to sink or redeem one sixth part of them annually after the first day of January next. * * * *

That the foregoing resolutions with a letter from the president be dispatched to the executive of the several states, and that they be requested to call their assemblies if not already convened as speedily as possible to take them into immediate consideration, to establish ample and certain funds for the purposes therein mentioned, and to take every other measure necessary to carry the same into full and

vigorous effect, and that they transmit their acts for that purpose to congress without delay."

Two days later congress recommended to the several states to revise their laws, enacted in pursuance of a former resolution, for the purpose of making the continental bills of credit a legal tender in discharge of debts and contracts, and to amend them in such manner as they should judge to be most conducive to justice, considering the present condition of the paper currency.

The idea had almost departed from congress that the fictitious value given by them to worthless paper could be supported. Too late did they see their error; well meaning though they may have been, yet the miseries inflicted by their action under erroneous views of finance were incalculable. When the measure of tender laws was first adopted but little injury was wrought as the bills were then equal, or nearly so to gold and silver. But the very enactment of such regulations displayed the weakness of the currency and tended to its depreciation.

"The aged who had retired from the scenes of active business, to enjoy the fruits of their industry, found their substance melting away to a mere pittance, insufficient for their support. The widow who lived comfortably on the bequests of a deceased husband, experienced a frustration of all his well meant tenderness. The laws of the country interposed and compelled her to receive a shilling, where a pound was her due. The blooming virgin who had grown up with an unquestionable title to her patrimony, was legally stripped of everything but her personal charms and virtues. The hapless orphan, instead of receiving from the hands of an executor a competency to set out in

business, was obliged to give a final discharge on the payment of 6*d.* on the pound. In many instances, the earnings of a long life of care and diligence were, in the space of a few years, reduced to a trifling sum. A few persons escaped these affecting calamities, by secretly transferring their bonds, or by flying from the presence or neighborhood of their debtors. The evils which resulted from the legal tender of these paper bills were foreign from the intentions of congress, and of the state legislatures. It is but justice to add farther, that a great proportion of them flowed from ignorance. Till the year 1780, when the bills fell to forty for one, it was designed by most of the rulers of America, and believed by a great majority of the people, that the whole sum in circulation would be appreciated by a reduction of its quantity, so as finally to be equal to gold or silver. In every department of government the Americans erred from ignorance, but in none so much, as in that which related to money.

Such were the evils which resulted from paper money. On the other hand, it was the occasion of good to many. It was at all times the poor man's friend. While it was current, all kinds of labor very readily found their reward. In the first years of the war, more were idle from want of employment, and none were employed, without having it in their power to obtain ready payment for their services. To that class of people, whose daily labor was their support, the depreciation was no disadvantage. Expending their money as fast as they received it, they always got its full value. The reverse was the case with the rich, or those who were disposed to hoarding. No agrarian law

ever had a more extensive operation than continental money. That for which the Gracchi lost their lives in Rome was peaceably effected in the United States, by the legal tender of these depreciating bills.

The poor became rich, and the rich became poor. Money lenders, and they whose circumstances enabled them to give credit, were essentially injured. All that the money lost in value was so much taken from their capital, but the active and industrious indemnified themselves, by conforming the price of their services to the present state of the depreciation. The experience of this time inculcated on youth two salutary lessons, the impolicy of depending on paternal acquisitions, and the necessity of their own exertions. They who were in debt, and possessed property of any kind, could easily make the latter extinguish the former. Everything that was useful when brought to market readily found a purchaser. A hog or two would pay for a slave; a few cattle for a comfortable house; and a good horse for an improved plantation. A small part of the productions of a farm would discharge the long outstanding accounts, due from its owner. The dreams of the golden age were realized to the poor man and the debtor, but unfortunately what these gained was just so much taken from others. * * * That the helpless part of the community were legislatively deprived of their property, was among the lesser evils, which resulted from the legal tender of the depreciated bills of credit. The iniquity of the laws estranged the minds of many of the citizens from the habits and love of justice. The nature of obligations was so far changed, that he was reckoned

the honest man, who from principle delayed to pay his debts. The mounds which government had erected, to secure the observance of honesty in the commercial intercourse of man with man were broken down. *Truth, honor and justice were swept away by the overflowing deluge of legal iniquity,* nor have they yet[1] assumed their ancient and accustomed seats."[2]

This testimony of a distinguished as well as intelligent citizen, who took a part in the disturbances of those perilous times, displays vividly the condition of America. The news gazettes were filled with complaints of injustice; ruin and lamentation brooded over one portion of the community unheeded by the remainder, which had become enriched at their expense. The following extract[3] furnishes a just specimen of these fruitless outbursts.

TO THE PRINTER OF THE PENNSYLVANIA PACKET:

Mr. Dunlap: If something is not done to prevent trustees and guardians from taking advantage of the times, in defrauding helpless widows and orphans, great numbers who have lived in opulence before the death of their husbands or parents, and had what was thought a competency left them after their death, will be reduced to a state of indigence. I am an only daughter of an indulgent father, who died about six years ago, and left me a pretty fortune in ready cash, which he placed in the hands of a neighbor, whom he trusted would administer strict justice towards me. The interest arising, from it has, till of late, enabled me to live in a genteel style of life but in our country's present distress only affords a scanty pittance;

[1] 1789.

[2] Ramsay's *History of the American Revolution*, Philadelphia, 1789, vol. ii, p. 134, *et seq.*

[3] *Pennsylvania Packet*, April, 1779.

but that is not the worst sir! I am just arrived at age, and my guardian insists on paying me the principal. Is not this cruel hard in the present state of our money? I appeal to the guardians of our country, I appeal to the heart of every honest man, whether this be acting the faithful guardian, and whether laws ought not to be enacted to prevent such undue advantages being taken of the widow and orphan. I am a female whig, Mr. Dunlap, and my hopes and wishes warm for my country's success; but why am I to be thus the sufferer? My guardian appropriated my fortune to his own use six years ago, for which he has now a real estate which would sell for ten times the price it cost; but he says, it was your father's will that you should receive your fortune in money. Thus, you see, what advantages our laws give to bad men, who aggrandize themselves at the expense of the helpless orphan. I have had a hint from a friend, that he would pay me half the amount in hard money, if I would give a receipt in full: How base such an offer! How deserving the contempt of a much injured, helpless woman! No sir, all I desire is, to see laws enacted empowering widows and orphans, in such cases, to refuse receiving payments until our money is reinstated in its original value; which, I trust, it will e'er long; thereby rendering those incapable of taking an advantage, who have not honesty enough to do as they would be done by: For though there are laws in force making our money a legal tender in all payments, sure there might be exceptions in such cases as these, the justice of which, at the present time, must be obvious to every honest man, obliging all trustees and guardians, who were possessed of money on trust before certain dates, to be obliged to retain such moneys in their hands until the conclusion of the present glorious revolution; and so confident am I that such a measure must take place, that I shall absolutely refuse to take my fortune at present.

I hope you will excuse my tiresome complaint, which nothing but a sympathizing feeling for others in like circumstances, as well

as my own distress on the occasion, could have induced me to have troubled you. However, I hope it will stimulate our people in power to take it into consideration. MIRA.

Examples of individual oppression and hardship might be multiplied almost indefinitely, but enough has been exhibited to show the evils and distresses caused by "tender laws." The memory of these sufferings was fresh in the minds of the framers of our constitution when they declared that the states should have no power to declare any thing except gold or silver a lawful tender in payment of debts. A prohibition which, until lately, was believed to be intended to fetter the operations of even the government at Washington.

The estimating of the bills at forty for one was considered by able statesmen to have been the real death blow to all value in them as a currency; it is true the decease did not take place for twelve months afterwards, but the fatal stroke had been dealt. Members of the congress, preëminent among whom was Dr. Witherspoon, in vain remonstrated against this breach of the promise, so often and so forcibly reiterated. All the glowing language in which the ability and willingness of the country to pay its debts had been so repeatedly set forth, was in a moment wiped out of existence. "The safest possible currency"—"the only currency which would not take to itself wings and disappear" was to the extent of thirty-nine fortieths utterly annihilated. This "great and deliberate breach of public faith," as it was styled,[1] caused the burden of the loss of the

[1] *Biog. Signers Dec. Indep.*, Philadelphia, 1828, vol. ii. *Life of Dr. Witherspoon.*

depreciated bills to fall upon those who were well disposed to the cause of America, and who had relied upon the honor and honesty of congress. Those who were disaffected were careful not to retain more of this doubtful currency than they could well avoid; continually, as fast as received, they parted with the notes, rather than incur the risk of total loss. Had the friends of liberty entertained the slightest reason to think that they should ultimately be compelled to lose so great a proportion of their worth, they would have readily parted with them and have received in exchange for them articles which would represent some value; they could have applied them to other means of subsistence. "And now what faith do you expect the public creditors should place in your promises of ever paying them at all? What reason, after what is past, have they to dread that you will divert the fund which is now mentioned, as a distant source of payment! If a future congress should do this, it would not be one whit worse than what has been already done." The evil consequences immediately to follow this resolution were strenuously set forth; the handle it could afford the public enemies for charges of tyranny and fraud; the contempt which must arise to congress from such tergiversation; the bad effects likely to be caused by such action upon their ruined friends.[1] "Must this be risked when the people begin to be fatigued by the war, to feel the heavy expense of it by taxes; and when the enemy, convinced of their folly in their former severities, are doing everything they can to ingratiate themselves with the public at large?"

[1] *American Biography, ut supra.*

Nor was it only within the United States that there was opposition raised to this scheme. In France it terrified the merchants who had been trading with America. The Count de Vergennes addressed several communications to John Adams on this subject; afterward also to Dr. Franklin, conceiving that perhaps he would be more pliable to the dictates of honor and the desires of the French court.

He concedes[1] to the government the right forced upon them by extraordinary circumstances, of discrediting its own currency, but is of the opinion that a distinction should be made between citizens and strangers who may be holders of the money. "On the contrary, I think it should have been confined to Americans alone, and that an exception should have been made in favor of those same strangers, or at least, that some means should have been devised to indemnify these for the losses they may suffer by the general law. It is for the Americans alone to support the expense which may be caused by the defence of their liberty, and that they ought to consider the depreciation of their paper money purely as a tax which ought to be concentrated upon themselves, as the paper money was at first established only to relieve them from the necessity of paying one." It was with the persuasion that their property would be as secure and sacred in America as it was in France, that merchants were induced to risk the dangers of the sea and the vigilance of the

[1] *Life and Works of John Adams*, by C. F. Adams, vol. vii, p. 190. Boston, 1852.

English cruisers, and to transmit to the United States the commodities so greatly needed. In a reliance on the public faith they had received the paper money in exchange for their merchandise, and had kept that money with a view to employ it in new commercial speculations. The unexpected reduction of the value of the paper overturned their calculations, proving at the same time the ruin of their fortunes. "I ask if these consequences induce you to believe that this operation of congress is fitting to advance the credit of the United States, to inspire confidence in their promises, to invite the European nations to share in the same risks to which the subjects of his majesty have exposed themselves?

"These, sir, are the principal reflections occasioned by the resolution of congress of the 18th of March. I make it a duty to communicate them to you with entire confidence, because you are too enlightened not to feel their force and justice, and too much attached to your country not to use all your endeavors to engage it to retrace its steps, and do justice to the subjects of the king.

"I shall not conceal from you that the Chevalier de la Luzerne has already received orders to make the strongest representations on the subject in question, and that the king is firmly persuaded that the United States will be eager to give to him on this occasion a mark of their attachment, by granting to his subjects the just satisfaction which they solicit, and which they expect from the wisdom and justice of the United States."

To this Mr. Adams answered on the 22d of June, 1780,[1]

[1] *Adams's Works*, vol. vii, p. 193, *et seq.*

and argued that a real injustice would have occurred if the bills had been redeemed at their nominal value; that the only question was as to the *rate* at which they should be liquidated. "There is no other rule of justice than the current value, the value at which it generally passes from man to man. The congress have set it at forty for one; and they are the best judges of this, as they represent all parts of the continent where the paper circulates." In opposition to the argument that the public faith should be sacredly kept in the full redemption of the bills, Mr. Adams contended that the people themselves, by no longer receiving the notes at their nominal value, and by demanding higher prices in paper money than in gold or silver, had been the first to violate the compact. "As the depreciation crept in gradually, and was unavoidable, all reproaches of a breach of public faith ought to be laid aside; and the only proper inquiry now really is, what is the paper honestly worth? No distinction should be made between natives and foreigners; for when the latter come to trade with a nation they make themselves temporarily its citizens and tacitly consent to be bound by the same laws. And it will be found that foreigners had quite as much to do in depreciating this money in proportion as natives, and that they have been in proportion much less sufferers by it.

"The paper bills out of America are next to nothing. I have no reason to think there are ten thousand dollars in all Europe; indeed I don't know of one thousand. The agents in America, of merchants in Europe, have laid out their paper bills in lands, or in indigo, rice, wheat, tobacco,

flour, &c.; in short, in the produce of the country. This produce they have shipped to Europe, sold to the King's ships, and received bills of exchange, or shipped to the West India Islands, where they have procured cash or bills of exchange. The surplus they have put into the loan offices from time to time, for loan offices have been open all along, from 1776, I believe, to this time."

The merchants had no right to complain, was further contended by Mr. Adams, as the profits in the American trade were so very large, that should even one half or two thirds of the vessels, which were engaged in it, be captured, the remainder which had arrived in safety would produce a large amount. And more, that the traffic in the notes themselves was a source of gain, as they were not alike depreciated in all places at the same time. "It was forty for one at Philadelphia sometimes, when it was only twenty at Boston. The agent of a foreign merchant had only to sell his goods, or send silver to Philadelphia, and exchange it for paper, which he could lay out at Boston for twice what it cost him, and in this way again double his property."

In regard to the question as to whether these proceedings would be apt to inspire confidence for the future in the promises of the United States, Mr. Adams continues, guided more by his patriotism than by his intelligence. "I have the honor to answer your excellency, directly and candidly, that I do think them proper for these ends, and I do further think them to be the only measures that ever could acquire credit and confidence to the United States. I know of no other just foundation of confidence in men or bodies of men than their understanding and integrity;

and congress have manifested to all the world by this plan that they understand the nature of their paper currency; that its fluctuation has been the grand obstacle to their credit; and that it was necessary to draw it to a conclusion in order to introduce a more steady standard of commerce; that, to this end, the repeal of their laws which made the paper a tender, and giving free circulation to silver and gold, were necessary.

"Notwithstanding all, if any European merchant can show any good reason for excepting his particular case from the general rule, upon a representation of it to congress, I have no doubt they will do him justice."

Mr. Adams then wrote to Dr. Franklin, communicating to him the substance of the correspondence which had taken place. Dr. Franklin, who was at Passy, addressed to the Count de Vergennes a letter[1] upon the subject, and receiving from him an answer reiterating the views already transmitted to Mr. Adams, wrote[2] that it was the intention of the commissioners to lay the subject before congress; Mr. Adams had written, on the 26th of June, upon the matter to the president of congress.[3]

The question continued to be agitated for some time and was made the matter of a formal complaint from the Chevalier De la Luzerne to congress, but no redress was obtained.

In the meanwhile in America affairs became no better. The campaign of 1780 passed away in the northern states

[1] *Franklin's Works*, edit. Sparks, vol. viii, p. 477.

[2] *Franklin's Works*, edit. Sparks, vol. viii, p. 479.

[3] *Adams's Works*, edit. Adams, vol. vii, p. 207.

in disappointments and distresses.[1] The country was exhausted, and the continental currency expiring. The supplies seized upon by General Washington, or which could be furnished to the army under his command, proved totally insufficient. The effervescent patriotism, which at the commencement of the war had led to so many sacrifices for the good of the country, had, owing to the protracted duration of the conflict, in a great measure subsided. The system of procuring supplies through the commissary department was, as has been already stated, prejudicial to the interests of the service. Although life and gaiety pervaded the American camp at Morristown, and an assembly was organized, yet the troops were almost starving.[2] The army had neither provisions nor supplies; even the public despatches could not be forwarded for want of money to support the expresses.[3] To relieve the army a subscription

[1] Ramsay's *American Revolution*, vol. ii, chap. xx.

[2] *Life of President Reed*, vol. ii, p. 190, *et seq.*

[3] Thacher's *Military Journal*, Boston, 1823, p. 231; May, 1780. The officers of our army have long been dissatisfied with their situation, conceiving that we are devoting our lives to the public service, without an adequate remuneration. Our sacrifices are incalculably great, and far exceed the bounds of duty, which the public can of right claim from any one class of men. Our wages are not punctually paid, we are frequently five or six months in arrears, and the continental money which we receive is depreciated to the lowest ebb. Congress have established a scale of depreciation, by which the continental bills are valued at forty for one of silver, and at this rate they have resolved that all their bills shall be called in and a new emission shall be issued, and received at the rate of one for forty of the old emission. But the public confidence in paper money is greatly diminished, and it is with extreme difficulty that proper supplies can be procured to serve the pressing exigencies of our army. I have just seen in the newspaper an advertisement offering for an article forty dollars a pound, or

was taken up by the ladies of Philadelphia, prominent, then as now, in deeds of charity, benevolence and patriotism. The treason of Arnold also finds its place in this unpropitious period.

A new element appeared to aid the struggle of America. When congress could command neither money nor credit for the operations of the war, the citizens of Philadelphia formed themselves into an association to procure a supply of the articles necessary for the suffering soldiers. On the twenty-second of June, 1780, Messrs. Ellsworth, Duane and Scott, a committee appointed by congress to confer with the inspectors and directors of the proposed institution, communicated a report, together with the plan of action intended to be pursued by that body. Congress, taking the matter into consideration, adopted the following resolutions:

Whereas, a number of the patriotic citizens of Pennsylvania have communicated to congress a liberal offer on their own credit, and by their own exertions to supply and transport three millions of rations and 300 hogsheads of rum for the use of the army, and have estab-

three shillings in silver. This is the trash which is tendered to requite us for our sacrifices, for our sufferings and privations, while in the service of our country. It is but a sordid pittance even for our common purposes while in camp, but those who have families dependent on them at home are reduced to a deplorable condition.

In consequence of this state of things, a considerable number of officers have been compelled to resign their commissions. His Excellency General Washington is perplexed with an apprehension that he shall lose many of his most experienced and valuable officers; and knowing the injustice which they suffer, he has taken a warm interest in their cause, and repeatedly represented to congress the absolute necessity of making such provision as will encourage the officers to continue in the service to the end of the war.

lished a bank for the sole purpose of obtaining and transporting the said supplies, with greater facility and dispatch; and *whereas*, on the one hand the associators animated to this laudable exertion by a desire to relieve the public necessities mean not to derive from it the least pecuniary advantage, so on the other it is just and reasonable that they should be fully reimbursed and indemnified; therefore,

Resolved, That congress entertain a high sense of the liberal offer of the said associators to raise and transport the before mentioned supplies for the army and do accept the same as a distinguished proof of their patriotism.

Resolved, That the faith of the United States be and hereby is pledged to the subscribers to the said bank for their effectual reimbursement and indemnity in the premises.

Resolved, That the board of treasury be directed to deposit in the said bank bills of exchange in favor of the directors thereof on the ministers of these United States in Europe or any of them, and in such sums as shall be thought convenient, but not to exceed in the whole £150,000 sterling; that the said bills are to be considered not only as a support of the credit of the said bank but as an indemnity to the subscribers for all deficiences of losses and expenses which they may sustain on account of their said engagements and which shall not within six months from the date hereof be made good to them out of the public treasury: and in case of failure such a proportion of the said bills as shall be requisite to make good the said deficiency shall be negotiated for that purpose by the said directors and the residue thereof returned into the treasury.

Resolved, That upon representation made, that the bank stands in need of occasional assistance, congress will advance as much of their current money as can be spared from other services.

The establishment of this bank, the germ from which arose, subsequently, the bank of North America, marks the inauguration of a new epoch in American finance. It

is asserted that by these means were furnished to the crippled congress, supplies and money which could have been obtained through no other channel; the opponents of the institution urged that as the bank of North America did not go into active operation until January, 1782,[1] some months after the capture of Lord Cornwallis and his army had given what was known to be the death blow to the claims of British sovereignty over the thirteen United States, it could not have been instrumental, by its help to the armies, in producing this result. With a mere display of these facts, alleged and controverted, the purport of the present work will be fulfilled; to pursue them farther or even to offer a judgment would not be within its scope. There can be no doubt, however, that the *first* association greatly assisted the American cause.

The new bills, as ordered by the resolution of the 18th of March, were sent out by congress and by the states with every outward appearance of reliance. "We have now full confidence that this money will pass as gold and silver," wrote President Reed to the commissaries of purchases,[2] "and therefore direct you not to exceed on any account the gold and silver price. As we have no occasion to press the money, we would have you tender it without expressing any anxiety or earnestness thereupon."

The apparent trust, thus proposed to be exhibited, was not verified by the event. The money met with opposition from even the best friends of the government;[3] although

[1] Gouge's *History of Paper Money*, &c.

[2] *Pennsylvania Archives*, vol. viii, p. 277.

[3] *Pennsylvania Archives*, vol. viii, p. 385.

the confidence of the people was endeavored to be retained in it by reasonings as specious as had heralded the birth of the old continental money. No sooner had the new currency made its appearance than it lost its value.

Josiah Quincy writes from Braintree, Massachusetts, on the 27th of November, 1780, to General Washington,[1] in the following judicious and sensible language: "Our new paper money issued by recommendation of congress no sooner began to circulate, than two dollars of it were given for one hard one. To restore the credit of the paper, by making it a legal tender, by regulating acts, or by taxes, are political manœuvres that have already proved abortive, and for this obvious reason,—that, in the same proportion as ideal money is forced into currency, it must, from the nature of everything fraudulent,[2] be forced out of credit. I am firmly of the opinion, and think it entirely defensible, that there never was a paper pound, a paper dollar, or a paper promise of any kind, that ever yet obtained a general currency but by force or fraud, generally by both.

"That the army has been grossly cheated; that creditors have been infamously defrauded; that the widow and the fatherless have been oppressively wronged and beggared; that the gray hairs of the aged and the innocent, for want of their just dues, have gone down with sorrow to their graves, in consequence of our disgraceful, depreciated paper currency,— may now be affirmed without hazard of refutation; and I wish it could be said, with truth, that

[1] *Letters to Washington*, vol. iii, p. 157.

[2] "Honest downright Dr. Douglass assures us that paper money was always a fraudulent scheme to injure creditors." GOUGE.

the war has not thereby been protracted. May it not, therefore, be safely concluded that no kind of paper currency is adequate to the purpose of collecting and combining the forces of these United States for their common defence?"

For the immediate necessities of the government more taxes were called for from the states but were tardily paid. The idea of European loans, if practicable, was more and more impressed upon the congress and even upon the respective state sovereignties. The mission of Mr. Searle to Europe to negotiate a loan for the commonwealth of Pennsylvania is a remarkable feature of this period.

In vain were all the flattering promises and estimates of value of the new bills; in vain were they to be considered as equal to specie or one dollar as equivalent to forty of the old issue. The "Dollar money," as in some of the states the new emission became called, was lacking in the attributes necessary to the essential support of its credit; a certainty of final redemption, and the general confidence and demand, which would ensure, that they should be current at their full value, without depreciation, during the whole time of their circulation. The action of congress in rating the old issues below their nominal value, inspired the idea, that perhaps in the future, they might do the same towards this emission. The PUBLIC FAITH, the great basis, was no better than it had been at the time the old money was created; perhaps worse. No support could be expected from that resource, other than had already availed.

"The people of the states had been worried and fretted, disappointed and put out of humor, by so many tender acts, limitations of prices and other compulsory methods

to force value into paper money and to compel the circulation of it, and by so many vain funding schemes, declarations and promises, all of which issued from congress, but died under the most zealous efforts to put them into operation and effect, that their patience was all exhausted; they appeared heartless and almost stupid when their attention was called to any new propositions."[1] The presence of specie had been for some time a common incident in the states; from the beginning of the year 1780 *hard money*, as it was called, had been plentiful. This was occasioned by "large sums by various means coming from the English Army at New York, and spreading through the states; also, by large sums remitted by France to their army and navy then here; also by large importations of hard money from the Havannah and other places abroad; so that hard money was never more plenty or more easily collected than at that time."[2] Trade had become brisk once more. For the first year or two of the war the ports and harbors of America were closed; "the people scarce ventured to look towards the ocean. Now our rivers are beautiful with large and valuable vessels, our stores filled with merchandize, and the produce of the country has a ready market, and an advantageous price. Gold and silver, that for a while seemed to have retreated again within the bowels of the earth, have once more risen into circulation, and every day adds new strength to trade, commerce and agriculture."[3] The states were really "*overrun with cash.*"

[1] *Webster's Essays*, p. 116.

[2] *Webster's Essays*, p. 75.

[3] *The Crisis*, by Thomas Paine, Granville, Middletown, New Jersey, 1839, p. 209.

"It has been asked," says Lord Sheffield,[1] "what has become of the money which we have sent during the war to America? Some has come back — a considerable part of it is the circulating cash within our own lines. Many British subjects in New York have very large sums in their possession. The Dutch and German, whose number is not inconsiderable, have hoarded up — and it is believed considerable sums are concealed. France sent, not included in the debt, above six hundred thousand pounds sterling in specie to America, being obliged to send cash."

The operations of the war caused such a drain of specie from Europe,[1] that the Bank of England was brought into jeopardy, and the *Caisse d'Escompte* at Paris actually suspended payment; and such a flux of specie took place into the United States that, as before mentioned, "hard money was never more plenty or more easily collected."

Another cause produced depreciation in the old continental money and still more discredited the new emission. South Carolina and Georgia were in the possession of the British, who no longer permitted the congress money to circulate therein. This extinction of the value of the bills of credit induced those of the inhabitants who still were their possessors, to carry or send them into the other colonies where they still had currency. "But this influx itself, added to the loss of Carolina, and the sinister aspect which the affairs of congress presented at this epoch, accelerated the fall of paper money in all the states of the confederation."[2]

[1] Gouge's *History of Paper Money*, &c., p. 236.

[2] Botta's *American Revolution*, vol. ii, book xiii.

From this time onwards to that epoch, when the continental money, having run its race, laid down and died in peace, its history is only a series of depreciation, vainly endeavored to be checked by expedients more or less futile. Congress was not well skilled in financiering; fortune stood their friend and they were enabled without money and without taxes for several years to keep up armies and navies to successfully withstand the might of Great Britain.[1] Their hope and wish had been to keep the money, notwithstanding its vast amount, at its nominal value; their motives were undoubtedly pure but their efforts ignorantly misdirected.

The gradual depreciation was urged as a reason why the notes should not be redeemed at par. It was said to operate as a tax; as a most equal tax, because it acted in proportion to the amount held. The rich suffered largely on their vast sums; the needy but slightly on their scanty pittances. How fallacious these reasonings, with which the congress and the people solaced themselves, are, must be apparent. Poor consolation it was to those who had been beggared, confiding in the honor and in the honesty of their country, to hear that their ruin had merely been a gradual tax; to know that from the operation of tender laws their property had been taken away and given to others; to see the wealth accumulated by the dishonest multitudes of contractors and the many defrauders of that unhappy period, and to feel that it had been plundered from their own coffers for the personal agrandizement of such people. And after all these sufferings, to be finally

[1] *Franklin's Works*, vol. viii., p. 506.

debarred by the action of congress of all hope that any future relief would ever come to them; that the moneys loaned by them to congress would be repaid in full; that the notes they held would be redeemed. America entered upon a career of a nation, bankrupt, faithless and perjured; crowned with the ruin of her best friends. At the distance of nearly a century the wrongs committed at the revolution have not yet ceased to bear their fruit. The example of repudiation, for it was nothing else, furnished by the congress of 1780, has been followed in many instances throughout the Union. Public honor is as essential as private integrity.

Tyranny destroys both. "*Where the specie is debased, the people are so too, and under grievous oppression*" are the words, almost of inspiration of John Evelyn,[1] written nigh a century previously; words of wisdom and of intelligence. To contend that national integrity has been forfeited in other countries, adds but an additional sting to the reproach. Nowhere previously had it happened except under a monarchical government; that a republic should commence its life with an act of despotism and deceit was the more discreditable, as that it was the more unprecedented. "A bankrupt, faithless republic was a novelty in the political world; it would appear like a common prostitute among chaste and respectable matrons."[2] And a degraded rank in the eyes of her contemporaries,

[1] *Discourse on Medals*, edit. 1697.

[2] *Breck.*

America must have held for her faithlessness and ill kept promises.

Continental money was expiring. Its dying efforts convulsed the states. The mighty monster was irreparably doomed. The call for specie taxes from the states was extinguishing the last spark of value still alive in the bills; combinations were formed in the army to refuse it totally; an action which was feared by General Washington[1] would "be a severe blow to the declining currency."

The money circulated at a lower rate than congress had fixed upon it; even as early as the previous July[2] people had taken it at sixty for one, and the matter did not mend. On the night of the first day of January, 1781, that portion of the American army stationed at Morristown, which was composed of the Pennsylvania line, broke out into an open rebellion. The causes were various. Not alone the sufferings they had endured, not alone the insufficiency of the daily lessening in value money paid to them for their life blood; the obscurity of the term of their enlistment proved also a reason. "Three years or the war" was the period; a sentence construed differently by the soldiery and by the civil authorities. The revolt was suppressed by proper concessions; it merely is mentioned here as one of the effects caused by the death throes of the continental money. It is too familiar to be gone into in detail; the pages of Thacher, Marshall and Botta, present the case in full. Not long afterwards a similar spirit presented

[1] *Washington's Writings*, i, edit. Sparks, vol. vii, p. 166.

[2] *Washington's Writings*, i, edit. Sparks, vol. vii, p. 504.

itself among the Jersey soldiers, who presumed upon the leniency extended on the former occasion; this revolt was however, promptly checked.

On the 15th of January, after the Pennsylvania troops had been appeased, congress called upon the states from Pennsylvania to New Hampshire inclusive, immediately to furnish a sum of specie, for the payment of their respective lines; accompanying it was the following address:

A circular address to the respective states, of the 9th day of November last, communicated a requisition of congress for the service of the ensuing year. This act and the system of the 18th of March respecting our finances, include the principal means, which their present powers have enabled congress to adopt, for prosecuting the war; measures so deeply interesting, not only demand the unremitted attention and vigorous support of the legislatures; but congress ought to be informed of their progress with the utmost precision. Both are necessary to the public credit, to the success of our military operations, to the very existence of our armies. * * * * Besides those supplies for the current year, which cannot be anticipated without the utmost danger, the pay in arrear to the army demands your most serious consideration. The honor of government and military order and discipline depend on its regular discharge. Nor was a fund sufficient for this and other purposes neglected; for had the requisitions for taxes prior to the act of the 18th of March been productive; had the warrants on the state treasurers, for the balance of those taxes, drawn so long ago as the first of July, been satisfied, a complaint of this nature could not have existed.

* * * It was found expedient to discontinue the emission of paper money, and from various causes, the public neces-

sities were not relieved by loans, at the same time that the measure was embraced of extinguishing those[1] certificates in the taxes. Hence the treasury has been destitute of supply, almost every resource being cut off at the same instant. * * * * The necessity of great and spirited exertions becomes every day more evident. * * * However great may be the burthens which we are called upon to sustain, let us remember that they are the price of liberty, and that they have been common to every people who have dared to struggle for social happiness against violence and oppression. * * * Experience has pointed out the dangers to which we have been exposed by a want of punctuality in former supplies, and we are persuaded that those dangers will for the future be carefully prevented. For our own part we have left nothing unessayed to render the operations of the war more vigorous and successful. We have applied for naval succours from abroad; if we no longer continue unfortunate in the importation, we shall not want a competent supply of clothing, arms and ammunition. We are once more attempting a foreign loan of specie; we have pointed out and required the aids of men, provisions and money, which in every event must be produced from our own internal resources.[2]

Congress were successful in their foreign attempts to get money here mentioned. Louis the sixteenth presented to the United States six millions of livres in specie, and loaned a further sum of ten millions, while their negotiations in Holland, to procure that amount, were progressing. But before the money arrived the financial embarrasments of the country had reached the highest point.[3]

[1] Commissaries' and Quarter Masters' Certificates.

[2] *Journal of Congress*, 1781.

[3] Botta, vol. ii, p. 365.

The articles of confederation were finally adopted by all the states. Congress called upon the treasury board for a statement of the amount of the old emissions which had been redeemed, and of the new notes held subject to their disposal; they also assumed the payment of all debts, then due from the United States, which had been liquidated to the specie value, and promised that they should be discharged in specie or its equivalent. On the 16th day of March, the states were recommended to revise their laws, making the continental money a legal tender at the amount expressed on its face, so that thereafter it should not be forced upon unwilling hands, except at its current value as compared with gold or silver. Subsequently they recommended a total repeal of all such laws. However well convinced by sad experience the congress might be of the inutility of tender acts, some of the states would seem not yet to have acquired that knowledge. Pennsylvania had repealed the law making the continental money a legal tender; but in April, 1781, it emitted the enormous sum of five hundred thousand pounds in bills of credit, which it protected with the most violent penalties. Eighteen members of the assembly were honest enough and sufficiently clear headed to know the evils which necessarily would follow this action; they entered their protest.[1]

They forcibly argued, exhibiting the inutility of the measure on the following grounds:

That if public confidence was wanting tender laws could not replace it.

[1] Votes of the Assembly of Pennsylvania.

That the penalties for refusing were either unnecessary ro unjust. If the paper were of full value it would pass current without such aid; if it were not, then to compel persons to receive it at the nominal, would be an act of dishonesty.

That penalties for non-reception betray a diffidence as to the future credit of the bills;

That it was inconsistent with the principles to interfere in any manner with the free disposal of property;

That restrictive laws produce dishonesty and idleness;

That tender laws violate contracts;

That tender laws make it the interest of debtors to depreciate the bills;

That experience has shown the futility of tender laws; * * * And finally that the penalties "are directly contrary to the resolutions of congress lately communicated to us. We humbly conceive that great attention and respect should be paid to every recommendation of that honorable body. And we are of opinion that nothing will sooner terminate the present war than harmony and thorough confidence between the congress and the several legislatures."

The lack of unison was certainly great; the states were unwilling to do more than their share; were even afraid that they might furnish or perform more than was actually demanded of them; they grudged the powers necessary for the good administration of the country, to the government which they had of themselves established. They were jealous of it, and of each other.

New Jersey on the fifth of January declared the continental currency to be no longer a legal tender, except at

its current value, which was to be fixed from time to time by the governor and privy council.

The residue of the state followed at different times these wise recommendations, and the continental money, all extraneous supports being withdrawn, fell dead; the last impetus to the declining body being given by the executive council of Pennsylvania over which General Joseph Reed presided.

In March 1780, the state of Pennsylvania issued £100,000 in bills of credit on the faith of the state, providing for their redemption by setting apart to be sold, certain city lots and the Province Island in the township of Kingsessing.[1] The council was required weekly to publish the *current exchange* between specie and the old continental; the bills themselves being supposed to be of the same value with hard money. But the Island Money soon depreciated and the practice became prevalent of multiplying the exchange so published by the ratio which these bills were known to bear to cash. On the 2d of May, 1781, the current exchange of these bills to hard money was 3 for 1, and to continental, was 75 for 1; hence the exchange of specie for continental was about 225 for one. "At this time the council declared the rate of exchange of hard money for the month of May, to be 175 for 1, which was the same thing as delivering the exchange of the state bills to contniental to be 175 for 1; which made the exchange of continental money three times 175, viz: 525 for 1 of hard; a vast and sudden leap indeed, and which became the current exchange in less than a week from the declaration of

[1] *Webster's Essays*, p. 172, *et seq.*

the exchange by the council. So that every person who had a week before given a hard dollar for 225 continental ones, found that he had lost above half the value of his money, as it would at the end of the week purchase but 3-7ths of a hard dollar."[1]

This testimony of an intelligent,[2] experienced and unbiased witness is worthy of the highest consideration. On Mr. Reed much odium was thrown by these measures, but in reality it was not deserved. "The real absurdity lay in the law itself, not in its execution."

"The paper money has at length found its *ne plus ultra;* a total loss of confidence and credit, arising from a variety of causes, gave it an honorable, and what you will perhaps think more extraordinary, a peaceful exit."[3]

"Thus fell, ended and died, the continental currency, aged 6 years; the most powerful state engine, and the greatest prodigy of revenue and of the most mysterious, uncontrollable and almost magical operation ever known or heard of in the political or commercial world; bubbles of a like sort which have happened in other countries, such as the Mississippi scheme in France, the South Sea in

[1] *Webster's Essays*, p. 174.

[2] Peletiah Webster, whose views have been so often herein quoted, and to whose essays the highest consideration should be paid, was a merchant of Philadelphia durring the revolutionary war. Remaining there after its occupation by the British army, he was one evening taken out of his bed and confined in the public jail; property also which belonged to him was confiscated. After an arduous imprisonment he was released.

He published in 1791 a volume entitled *Political Essays*, which contain many facts relative to the history of the continental money.

[3] *Life of Reed*, vol. ii, p. 295.

England, &c., lasted but a few months, and then burst into nothing; but this held out much longer, and seemed to retain a vigorous constitution to its last, for its circulation was never more brisk and quick than when its exchange was 500 to 1; yet it expired without one groan or struggle; and of all things which have ever suffered dissolution since life was first given to the creation, *this mighty monster died the least lamented.*"[1]

We cannot forbear to add still another testimony[2] as to its usefulness and death. "About the same time the old continental money, by common consent, ceased to have currency. Like an aged man expiring by the decays of nature, without a sigh or a groan, it fell asleep in the hands of its last possessors. By the scale of depreciation the war was carried on for five years, for a little more than a million of pounds sterling, and two hundred millions of paper dollars were made redeemable by five millions of silver ones. In other countries, such measures would probably have produced popular insurrections, but in the United States they were submitted to without any tumults. Public faith was violated, but in the opinion of most men public good was promoted. The evils consequent on depreciation had taken place, and the redemption of the bills of credit at their nominal value as originally promised, instead of remedying the distresses of the sufferers would in many cases have increased them, by subjecting their small remains of property to exorbitant taxation. The money had in a great measure got

[1] *Webster's Essays*, p. 175.

[2] Ramsay's *History of the American Revolution*, vol. ii, p. 224.

out of the hands of the original proprietors, and was in the possession of others who had obtained it at a rate of value not exceeding what was fixed upon it by the scale of depreciation."

"The congress is finally bankrupt! Last Saturday a large body of the inhabitants with paper dollars in their hats by way of cockades, paraded the streets of Philadelphia, carrying colors flying, with a dog tarred, and instead of the usual appendage and ornament of feathers, his back was covered with the congress' paper dollars. This example of disaffection, immediately under the eyes of the rulers of the revolted provinces, in solemn session at the state house assembled, was directly followed by the jailor, who refused accepting the bills in purchase of a glass of rum, and afterwards by the traders of the city, who shut up their shops declining to sell any more goods but for gold or silver."[1]

In one state, it is said, that the continental money was buried with the honors of war.[2] Its remains, deposited in an elegant coffin, were followed to the grave by a numerous concourse; an eloquent oration was delivered narrating its services, as those of a former friend and benefactor. When the obsequies were concluded, the orator, holding to view a specimen of a new emission authorized by the state to replace the old continental, exclaimed "*be thou also ready; for thou shalt surely die!*" — a prophecy soon after fulfilled.

[1] Rivington's *Gazette*, May 12, 1781, cited in Moore's *Diary of the Revolution*, vol. ii, p. 425.

[2] Sanderson's *American Biography*, vol. ii, p. 336.

"The annihilation," says Breck, "was complete. Two hundred millions lost all value and were laid aside. Barber shops were papered, in jest, with the bills; and sailors on returning from their cruise, being paid off in bundles of this worthless money, had suits of clothes made of it, and with characteristic light heartedness turned their loss into a frolic by parading through the streets in decayed finery, which, in its better days, had passed for thousands of dollars."

The effect of the ever varying currency was bad upon the community, and it inflicted a shock on the public morals from which they did not soon recover. It produced a rage for speculation which infected all classes; all ties of honor and honesty were dissolved.

Webster writes[1] in corroboration and continues;

"If it saved the state, it has also polluted the equity of our laws; turned them into engines of oppression and wrong; corrupted the justice of our public administration; destroyed the fortunes of thousands who had most confidence in it; enervated the trade, husbandry and manufactures of our country; and went far to destroy the morality of our people."

"Old debts were paid when the paper money was more than seventy for one.[2] Brothers defrauded brothers, children parents, and parents children. Widows, orphans and others were paid for money lent in specie, with depreciated paper, which they were compelled to receive. A person who had been supplied with specie in the jail of Philadel-

[1] *Webster's Essays*, p. 174.

[2] *Breck.*

phia while the British had possession of the city, repaid it in paper at a tenth part of its value."

The expedient of a resort to a base currency was not a new one; other countries had availed themselves of it with an invariable result. In Sweden, during the reign of Charles the 12th, so great was the waste of national wealth caused by the insane desire of glory which possessed that prince, that the Baron Goertz endeavored to supply the deficiency by striking copper coins of small value and size, bearing on them representations of mythological deities, which were ordered to pass for dollars; the experiment failed and the projector was afterwards beheaded. The base money of King James the Second, of England, known as the *gun money*, is also another case in point, too familiar to require more than a passing notice; likewise the obsidional money of the time of the war between the commonwealth of England and King Charles. The city of Leyden, during its siege by the Spaniards, used a species of card paper. Frederick Ænobarbus paid off his troops in *num mis scorteis;* leather money; the ransom of King John of France, when taken captive by the Black Prince, exhausted to so great a degree all the money of the kingdom, that it became necessary to issue a kind of leather money, through which had been clenched a stud of silver; the assignats[1] of the French revolution form an instance

[1] In the third year of the national delirium, engendered by the revolution, on the sixteenth day of April, 1790, by the consent of the assembly with the approbation of the king, there were struck and issued four hundred millions of paper money, which received the the name of Assignats. To this sum, on the 27th of August, Mirabeau moved an addition of two thousand millions which were, however, not issued, but his exertions being

of the most striking resemblance to the continental money and its operations. Examples could be multiplied far beyond the space proper to be given.

The United States stood bankrupt and paralyzed. When, however, the office of Financier General was created,[1] and Robert Morris chosen by congress to fill that position, the tangled web of public credit soon began to unravel and the fibres to take their appropriate places. Taking part in the inception of the Bank of North America, and, possibly, assisted by its coffers, American finances soon wore a brighter aspect. No doubt to this result the administrative and financial abilities of Robert Morris

seconded by Pethion, in their stead, only eight hundred millions. The currency was subsequently increased until it amounted to forty thousand millions of livres, and soon lost all value.

When this happened a new species of paper money called *mandate* was sent into circulation to the amount of three thousand millions, and a forced currency was given to them by the government, to defray the expenses of one campaign when they likewise became worthless.

The mandates and assignats differed very materially. To the redemption former specific properties were pledged, whilst the holders of the assignats had only a general claim for reimbursement from the sales of forfeited estates; as these might be paid for in paper money it does not appear how the treasury was to be furnished with specie for their redemption.

The *mandates* could be realized at any moment, as the owner was authorized to take any portion of the specific property pledged, on declaring his intention and paying one fourth part of its assigned value; in this way some portion was redeemed.

After passing through various stages of oppression, in July, 1796, these paper currencies were ended by the action of the national assembly.

[1] Peletiah Webster, nearly one year previously, had urged the creation of the office.

greatly contributed; though, probably, unembarrassed by paper money the same beneficial effects would have followed upon the appointment of any other prominent citizen of known intelligence and of unblemished integrity.

When appointed to the office the most unlimited confidence was reposed in him; he had full liberty to trade on his private account and under his charge was placed the general control of all the public expenditures and of the disbursing offices. "The task of restoring the finances of this country," writes President Reed to James Searle, "must be a very arduous one. A Sully should have a Henry to support him, but it may be doubted whether Sullys or Henrys are the growth of the present age."

Morris quickly enforced regularity in all the departments and displayed the most excellent administrative qualities. Soon all things fell into such admirable condition that Washington wrote —"The abilities of the present financier have done wonders." When the paper currency of the United States was worthless, the notes issued by Robert Morris circulated freely, and he had address enough to have them declared by law in some of the states, as in Virginia, to be a legal tender in discharge of debts. He often, when pressed for money, anticipated the public revenue of the United States by advancing his own private means; the slow returns from the taxation imposed upon the confederation, often necessitated such action. The resource of foreign loans was not within the power of congress; no security could be offered and the late violation of the public faith was constantly reproached against them.

Congress, calling[1] upon the states for the payment of a tax, resolved that the new emission should be received in discharge of quotas as equal to specie, and issued a lengthy address to their constituents, on the financial condition of the nation. It recapitulated the progress of the war and the efforts made by congress in the defence of America, but as it contains nothing which has not been already herein set forth, it is not preserved in this place.

The continental money had entirely sunk out of sight; no plans for its redemption were feasible and none were proposed, until the seventh day of January, 1783.

On that day a committee to whom had been referred a letter from the legislature of Massachusetts, asking that some action might be taken which should afford relief to the many citizens who were holders of the continental notes, and expressing their fears that otherwise there would be a serious deficiency in the national taxes, made a report embodying the following resolution:

"That individuals in each state who are possessed of continental paper money be entitled to receive from the commissioner who is or shall be appointed to settle the accounts of the several states and of individuals therein, against the United States, a specie certificate for all such sums of the said money as they shall respectively pay into the hands of such commissioner at the rate of one silver dollar for every.....continental dollars; the certificates to bear interest of six per cent from the date, and be provided for as other public debts; but that no money shall be received or certificates granted by the said commissioners after the last day of December, 1783. That the states which have not sunk the proportions assigned to

[1] *Secret Journal*, 1781.

them of the continental money be charged with the deficiency or the amount of what they have not sunk at the rate aforesaid."

A motion was made, that the states should, in withdrawing the bills, make some discrimination between the various holders, in order that justice might be done; on the question being taken it was, however, decided in the negative by a large majority. A similar fate attended the successive endeavors to fill the dollar blank, with the words forty and seventy five. Congress was unwilling to consider the notes to be of any value whatever, and even resolved *that the attempt to pay any of the past debts would form so heavy a deduction from the greatest revenue which can be raised, as would totally obstruct all present service.* Not even a fund nor a future promise was offered by congress: the past debts had secured the independence of the nation and were therefore to be thrown aside; their duty was performed; their life was extinct. The national debt and its state were often considered, but no help could be afforded for its redemption; the loan office certificates were to be liquidated to specie value, and to be in part payment of taxes received from the states; they were also to be received for the public lands. Petitions for compensation for the losses suffered through the depreciation of the bills were often presented to congress but unavailingly; that body chose to consider that the loss of the value of the money was not its fault, but forced upon it through extraneous circumstances. On the 30th of September, 1788, the accounts of the loan offices in the various states were finally liquidated preparatory to the operations of the new government.

Some of the states exhibited hostility to the proposed

constitution on account of its prohibition against the issue of bills of credit; they were firmly wedded to that pernicious system. The rise of what was called a paper money party in most of the states was coeval with the closing scenes of the revolution. Rhode Island, New York, New Jersey, Pennsylvania, North Carolina, South Carolina and Georgia succumbed to the pressure; the rest stood firm although violently agitated. "Rhode Island has negatived a motion for appointing deputies to the convention," writes Madison to Edmund Randolph; "nothing can exceed the wickedness and folly which continue to reign there. All sense of character, as well as of right, is obliterated. Paper money is still their idol, though it is debased to eight for one." "I cannot but lament, from my inmost soul," writes John Adams to John Jay, "that lust of paper money which appears in some parts of the United States."

Riots and tumults, in some of the states, effected the creation; in others, the "*mobile vulgus*" did not prevail.

When the new constitution went into effect, the subject of finance was among the first to claim the attention of the assembled congress, and in January, 1790, Alexander Hamilton, offered his celebrated report upon the public credit. The services of that illustrious person in presenting to view a clear statement of the resources of the United States and in preparing a lucid exposition of its indebtedness can never be too highly esteemed. He gave a stability to its finances from which, until lately, they never deviated; "he smote the rock of the national resources and abundant streams gushed forth.[1] He touched the dead corpse of public credit and it sprung upon its feet."

[1] Speech of Daniel Webster at a Public Dinner at New York, February, 1831.

The report entered largely into the question of a discrimination in favor of original holders of United States securities, and decided such a course to be impracticable. A controversy soon arose on this topic; it was contended that of all others, the poor soldiers,[1] who had supported the burden of the war, receiving for their services depreciated money or certificates, should be paid in full.

This element entered largely into the debates of congress[2] and was urged with much zeal and reason; no alteration was made, however, in the method proposed for liquidating the debt of the United States.

Large unsettled claims still existed against the general government; to provide for their payment, two loans were created.[3]

The domestic debt was to consist of certificates of United States loans, to be issued in exchange for;

1*st*. Certificates of debt issued by the register of the treasury.

2*d*. Those issued by the commissioners of loans in the several states, including the certificates issued for the bills of the emission of May 20, 1777, and of April 11, 1778, called out of circulation by resolution of congress.

3*d*. Those issued by the commissioners for settling the accounts of the various departments.

4*th*. Those issued by the commissioners for the adjustment of the accounts of the states.

5*th*. Those issued to the army for pay.

[1] *Webster's Essays*, p. 306.

[2] *Benton's Abridgement.*

[3] Story's *Laws of the United States*, vol. i, 1790, ch. 61.

6th. Those issued for the payment of interest, usually known as interest indents, and finally the bills of credit issued by the United States, at the rate of one *hundred dollars* in paper money for *one* of specie.

All these sums were to be put on interest at three per cent, provided that the subscription was made before the 30th day of September, 1791; a period subsequently extended to the 31st day of December, 1797. The amount of the continental money extant, and to be redeemed, was rated at *two millions of dollars.*

To make provision for the debts of the respective states a loan of twenty one million five hundred thousand dollars was authorized, to which payment might be made in certificates issued for expenses incurred by them during the war. The proportions permitted to each of the states were as follows:

New Hampshire,	$300,000
Massachusetts,	4,000,000
Rhode Island,	200,000
Connecticut,	1,600,000
New York,	1,200,000
New Jersey,	800,000
Pennsylvania,	2,200,000
Delaware,	200,000
Maryland,	800,000
Virginia,	3,500,000
North Carolina,	2,400,000
South Carolina,	4,000,000
Georgia,	300,000
	$21,500,000

Large quantities of the continental money were kept beyond the period limited for their redemption, their holders believing that the debt would be ultimately paid in full. Honest people who had suffered by its depreciation still retained it. Speculators bought it up; but their hopes and expectations were frustrated. Although thirty years afterwards inquiry was made into the subject, no action was taken, as it was believed that the time was then too remote for justice to be done. Those, whose ancesters had been ruined, must console themselves with the knowlege that the losses were only their offerings towards the common safety. Without money of some kind, the war could not have been carried on; to have redeemed that which was issued would have been too heavy a burden for the young republic. The original intention of congress had been to fully redeem the paper money; but its quantity increased far beyond their abilities to do so. "The jealousy of the states counteracted their good intentions.[1] What they could not redeem themselves, was assumed by a generous constituency. The people who bore the brunt of an eight years' war, and victoriously established independence sustained without a murmur the whole tax, and voluntarily reduced to nothingness the greatest item in the cost of the revolution, and thus waived all claim upon posterity for its payment."

So far has been traced the origin, progress, and downfall of continental paper money. Starting from the time when like a gentle rill it trickled calmly forth from its parent spring, gathering on its course strength and fullness from its waygoing accessions, extending like a river

[1] *Breck.*

more and more beyond the barriers nature had placed as its banks, until at last it culminated into a mighty ocean, tumultuous and tempest tost, scattering ruin and desolation wherever its powerful waves had washed. To start this torrent was easy; but to guide, restrain or check it was impossible. Attacked in vain by enemies, the credit of the continental money was destroyed by the ill directed efforts of its friends. At the distance of eighty years it seems like a vessel irremovably stranded; its masts and rigging forever vanished; nothing surviving but the hull which yet presents the remains of that which was once a noble ship, and which, in its decadence, still preserves a lofty bearing.[1]

It has nobly done its work and has been laid aside for all eternity; its rest will never be disturbed; no redemption awaits it.

[1] "Say, what's thy name? Thou hast a grim appearance, and thy face bears a command in't; though thy tackle's torn, thou showest a noble vessel."

FINIS.

APPENDIX.

A.

Catalogue of Denominations and dates of issues of Continental Money.

1775, May 10.— $1, 2, 3, 4, 5, 6, 7, 8, 20, 30. November 29. —$1, 2, 3, 4, 5, 6, 7, 8.

1776, February 17. —$\frac{1}{9}$, $\frac{1}{3}$, $\frac{1}{2}$, $\frac{2}{3}$, 1, 2, 3, 4, 5, 6, 7, 8. May 9.— $1, 2, 3, 4, 5, 6, 7, 8. July 22.—$2, 3, 4, 5, 6, 7, 8, 30. November 2.—$2, 3, 4, 5, 6, 7, 8, 30.

1777, February 26.—$2, 3, 4,5, 6, 7, 8, 30. May 20.—$2, 3, 4, 5, 6, 7, 8, 30.

1778, April 11.— $4, 5, 6, 7, 8, 20, 30, 40. September 26.— $4, 5, 6, 7, 8, 20, 30, 40, 50, 60.

1779, January, 14.— $1, 2, 3, 4, 5, 7, 8, 20, 30, 35, 40, 45, 50, 55, 60, 65, 70, 80.

1780, March 18.—Congress resolved to issue notes based upon the faith of the separate states and of the United States. $1, 2, 3, 4, 5, 7, 8, 20.

(An issue of $500,000 ordered November 2, 1776, in notes of $\frac{1}{9}$, $\frac{1}{6}$, $\frac{1}{3}$, $\frac{2}{3}$, appears never to have been made. None are known to be in existence).

20th CONGRESS.] [No. 839.] [1st SESSION.

Amount of Continental Money issued during the Revolution and Depreciation of the same. Communicated to the House of Representatives January 30, 1828.

STATEMENT OF THE ISSUES OF CONTINENTAL MONEY.

Date of Resolves of Congress Authorizing Emissions.	Journal. Vol.	Page.	Amount Authorized to be Issued.
June 22, 1775	1	125	$2,000,000
July 25, 1775	1	177	1,000,000
November 29, 1775	1	273	3,000,000
February 17, 1776	2	66	4,000,000
May 9 and 27, 1776	2	164	5,000,000
July 22 and August 13, 1776	2	280, 308	5,000,000
November 2 and December 28, 1776,	2	440, 509	5,000,000
February 26, 1777	3	80	5,000,000
May 20, 1777	3	194	5,000,000
August 15, 1777	3	331	1,000,000
November 7, 1777	3	480	1,000,000
December 3, 1777	3	555	1,000,000
January 8, 1778	4	12	1,000,000
January 22, 1778	4	47	2,000,000
February 16, 1778	4	101	2,000,000
March 5, 1778	4	133	2,000,000
April 4, 1778	4	190	1,000,000
April 11, 1778	4	209	5,000,000
April 18, 1778	4	223	500,000
May 22, 1778	4	303	5,000,000
June 20, 1778	4	362	5,000,000
July 30, 1778	4	434	5,000,000
September 5, 1778	4	521	5,000,000
September 26, 1778	4	567	10,000,000
November 4, 1778	4	639	10,000,100
December 14, 1778	4	713	10,000,000
February 3, 1779	5	43	5,000,160
February 19, 1779	5	64	5,000,160
April 1, 1779	5	132	5,000,160
May 5, 1779	5	183	10,000,100
January 4 and May 7, 1779	5	84, 188	50,000,100
June 4, 1779	5	240	10,000,100
July 17, 1779	5	288	5,000,180
July 17, 1779	5	289	10,000,100
September 17, 1779	5	360	5,000,180
September 17, 1779	5	360	10,000,180
October 14, 1779	5	384	5,000,180
November 17, 1779	5	419	5,000,040
November 17, 1779	5	420	5,050,500
November 29, 1779	5	438	10,000,140
			241,552,780

JOSEPH NOURSE, Register.

Treasury department Register's office, January 22d, 1828.

JEFFERSON'S TABLE OF EMISSIONS.

Emissions.	Sum emitted.	Depreciation.	Worth of the sum emitted in silver dollars.
1775, June 23,	$2,000,000		2,000,000
Nov. 29,	3,000,000		3,000,000
1776, Feb. 17,	4,000,000		4,000,000
Aug. 13,	5,000,000		5,000,009
1777, May 20,	5,000,090	2, 2, 3,	1,877,273
Aug. 15,	1,000,000	3,	333,333 1-3
Nov. 7,	1,000,000	4,	250,000
Dec. 3,	1,000,000	4,	250,000
1778, Jan. 8,	1,000,000	4,	250,000
Jan. 22,	2,000,000	4,	500,000
Feb. 16,	2,000,000	5,	400,000
Mar. 5,	2,000,000	5,	400,000
April 4,	1,000,000	6,	166,666 2-3
April 11,	5,000,000	6,	833,333 1-3
April 18,	500,000	6,	88,333 1-3
May 22,	5,000,000	5,	1,000,000
June 20,	5,000,000	4,	1,250,000
July 30,	5,000,000	4 1-2,	1,111,111
Sep. 5,	5,000,000	5,	1,000,000
Sep. 26,	10,000,100	5,	2,000,020
Nov. 4,	10,000,100	6,	1,666,683 1-3
Dec. 14,	10,000,100	6,	1,666,683 1-3
1779, Jan. 14,	[1]24,447,620	8,	3,055,952 1-2
Feb. 3,	5,000,160	10,	500,016
Feb. 12,	5,000,160	10,	500,016
April 2,	5,000,160	17,	294,127
May 5,	10,000,100	24,	416,670 5-6
June 4,	10,000,100	20,	500,005
June 17,	15,000,280	20,	750,014
Sep. 17,	15,000,260	24,	625,010 5-6
Oct. 14,	5,000,180	30,	166,672 2-3
Nov. 17,	10,050,540	38 1-2	261,053
Nov. 29,	10,000,140	38 1-2	259,743
	200,000,000		36,367,719 5-6

[1] The sum actually voted was 50,000,400, but part of it was for exchange of old bills, without saying how much. It is presumed that these exchanges absorbed 25,552,780, because 24,447,620 with all the other emissions preceding September 2d, 1779, will amount to 159,948,880, the sum which congress declared to be then in circulation.

B.

Names of the Persons appointed to sign the Continental Bills.

All, Isaac,
Adcock, William,
Aisquith, William,
Ash, James,
Alexander, Charles,
Barclay, Thomas,
Bunner, Andrew,
Barnes, Cornelius,
Bond, Phineas,
Bond, George,
Boyd, John,
Barrel, Thomas,
Barney, John,
Brooks, Clement,
Bedford, Gunning,
Bright, George,
Budd, Levi,
Baker, Charles,
Bartow, Thomas,
Coates, William,
Collins, Stephen,
Clarkson, Matthew,
Coombe, Thomas,
Caldwell, Samuel,
Campbell, George,
Clymer, Daniel,
Crispin, William,
Cockey, John,
Colhoun, James,
Courtenay, Hercules,
Cromwell, Richard,
Carroll, Daniel,
Creery, Dennis,
Coale, Sam'l Stringer,
Copperthwait, George,
Caither, Robert,
Carleron, Joseph,
Coit, Joseph,
Comegys, Cornelius,
Cox, Paul,
Cather, Robert,
Colladay, William,
Cist, Charles,
Craig, William,
Douglass, William,
Dundas, James,
Donellan, Thomas,
Donnell, Nathaniel,
Donald, Nathaniel,
Duncan, David,
Evans, Joel,
Evans, Robert,
Ellis, Joseph H.,
Eyres, Richard,
Eddison, Thomas,
Epple, Henry,
Fuller, Benjamin,
Foulke, Judah,
Farmer, Lewis,
Fox, Edwin,
Ferrill, Patrick,
Franklin, James,
Gray, George, Jr.,
Gray, William,
Gray, Isaac,
Graff, John,
Graff, John, Jr.,
Gauble, William,
Garrison, Nicholas,
Griffiths, John,
Griffith, Dennis,
Gaither, Joseph,
Gibson, William,
Hewes, Josiah,
Hazlehurst, Isaac,
Hillegas, Michael,
Howell, Isaac,
Hubley, Adam,
Howard, John,
Hardy, William,
Hazlehurst, Robert,
Hammond, William,
Humphreys, Richard,
Helm, John,
Hazlewood, John,
Jacobs, Benjamin,
Johnson, Rinaldo,
Johnson, Horatio,
Johnson, James,
Jones, Robert Strettle,
Jackson, William,
Kimmell, Michael,
Kammerer, Henry,
Kuhl, Frederick,
Kaighn, John,
Kinsey, Philip,
Kelso, John,
Keppele, John,
Kerr, Joseph,
Leech, Thomas,
Lewis, Ellis,
Lewis, Mordecai,
Levy, Benjamin,
Lux, Darby,
Loughead, James,
Leiper, Thomas,
Lardner, John,
Little, James,
Lyon, Samuel,
Laurence, John,
Laurence, Thomas,

Leacock, John,
Morris, Anthony,
Morris, Anthony, Jr.,
Morris, Luke,
Morris, Samuel,
Morris, Samuel C.,
Morris, Thomas,
Mease, James,
Mease, John,
Masters, William,
Milligan, James,
Maccubin, Zachariah,
Marshall, William,
Mullen, Robert,
Massoner, Jacob,
Meredith, Samuel,
Mifflin, George,
Nevill, Thomas,
Nicholson, John,
Nichols, Samuel,
Norris, Aquila,
Nourse, Joseph,
Nesbit, John Maxwell,
Nicholas, Samuel,
Ord, John,
Purviance, John,
Parker, Joseph,
Peele, St. George,
Patton, ——,
Phyle, Frederick,
Pennell, Joseph,
Redman, Joseph,
Roberts, Robert,
Read, James.
Reed, James,
Reed, John,
Rush, William,
Rowan, James,
Round, Hampton,
Ramsey, William,
Sellers, Samuel,
Sellers, Nathan,
Stretch, Peter,
Stretch, William,
Salter, William,
Shaw, John, Jr.,
Shee, John,
Shee, Walter,
Smith, Belcher P.,
Smith, Jonathan B.,
Smith, Thomas,
Stringer, Richard,
Snowden, Jedediah,
Snowden, Joseph,
Sheaf, William,
Sprogell, Ludovic,
Simmons, Luson,
Strong, Matthew,
Swaine, Francis,
Shaffer, David, Jr.,
Shubart, Michael,
Schreiner, Jacob,
Sims, Joseph,
Thompson, James,
Tybout, Andrew,
Tuckniss, Robert,
Tilghman, Tench,
Taylor, John,
Thorn, William,
Whelan, Israel,
Williams, John,
Webb, William,
Wharton, James,
Watkins, Joseph,
Watkins, Joseph, Jr.,
Welsh, George,
Walker, James,
Walter, Joseph,
Wilson, James,
Wilson, Joseph,
Wetherell, Sam'l, Jr.,
Wistar, Daniel,
Young, John, Jr.,
Young, Moses.

C.

Description of the Continental Notes.

The bills of credit issued by the continental congress during the revolution are doubtless familiar to most persons into whose hands the present history will fall, yet a short description of their most prominent features and devices may not prove inappropriate.

The notes were probably specimens of the stage of perfection to which the art of engraving had attained at that time in America. One, at least, of the copper-plates from which they were printed remains in existence [1] and is that of the issue which bears date September 26, 1778; it is evidently an altered plate having originally borne the words "April 11," in lieu of "September 26," and "Yorktown," instead of "Philadelphia," under which form it now survives. The bills range in value from one sixth of a dollar to eighty dollars, are of three varieties as to size, two as to color, and twenty as to devices.

In relation to the size.

The first variety comprises all the notes of the issues of May, 1775 (except that of $20), and of all the subsequent issues, except the fractional parts of a dollar bearing date February, 1776. They will average in length about three and seven tenths inches and in width two and eight tenths inches.

[1] We have seen this plate. It is in the possession of a Philadelphian, known as a Collector and as an Antiquarian, and who is the incumbent of the highest position in the Numismatic and Antiquarian Society of that city.

The second variety is that of the fractional parts of a dollar, of the issue of February, 1776: these measure about three and seven tenths inches from top to bottom and two and five tenths inches from side to side.

The third variety is embraced in a single specimen, viz: the twenty dollar note of May, 1775. It is five and one twentieth inches long and two and four tenths broad. The note is a very peculiar one, being entirely different from all the rest of the issues of the continental congress. How this happened or the reason for so strange a deviation, is not and perhaps can never be known.

The next chief subdivision is as to the color of the notes. All are printed in black ink alone, except the twenty dollar note, of May 1775, and the whole of the issue bearing date January, 1779.

The twenty dollar bill spoken of has the left edge marbled; all the rest of the note being printed in black.

The issue of 1779 have on the left side of the note a broad line in red ink, so that the reading on that side of the note is printed in two colors. On the device is a stamp of red ink, sometimes a rectangle and sometimes a parallelogram.

All the issues before, and including that of February, 1777, bear the words "*United Colonies;*" on the issues of May, 1777, and all subsequent are found the words "*United States.*"

The paper is thick and heavy, and particles of isinglass are found in it, which were usually added in the manufacture to give it strength. They also appear in the notes dated, 1777, issued by Pennsylvania, for which the paper was doubtless made at the same mills.

The third grand subdivision embraces the devices on

the notes: these, as to the obverse, are of twenty different natures.

$\frac{1}{3}$, $\frac{1}{3}$, $\frac{1}{2}$, $\frac{2}{3}$. — *Obverse:* A dial with the sun shining: inscription, "Fugio." In the exergue "Mind your business." *Reverse:* Thirteen circles, each bearing the name of a state inscribed within it, interlaced, forming an endless chain; within which is a smaller circle, surrounded by rays, with the words "American Congress," "we are one."

These bills are, with the exception of the forty dollar notes, the only ones bearing English mottoes.

$1. — A weight pressing down an acanthus; inscription, "*depressa resurgit.*"

$2. — A hand with a thresher's flail; *Tribulatio ditat.*"

$3. — An eagle and a crane in close combat; the eagle has seized the crane, but the bill of the latter has pierced the throat of the former; "*Exitus in dubio est.*"

$4. — A wild boar rushing on an outstretched spear; "*Aut mors, aut vita decora.*"

$5. — A bleeding hand grasping a thorn bush; "*Sustine vel abstine.*"

$5. — A beaver gnawing at the foot of a tree; "*Perseverando.*"

$7. — A stormy sea, with clouds, rain, &c.; "*Serenabit.*"

$8. — A harp of thirteen strings; "*Major a minoribus consonant.*"

$20. — Some bear the device of the seven dollar note, viz: the "*Serenabit,*" &c., others a sea violently agitated, &c., with the motto "*Vi concitate.*" This device occurs also on the reverse of some of the thirty dollar notes. The twenty note of May, 1775, combines the two, bearing one on the obverse and one on the reverse.

$30. — Wreath on an altar "*Si Recte facies.*" Reverse, two circles; one representing the sea in a storm violently agitated &c., like the obverse of the twenty dollar note; the other a calm sea with ships sailing, the winds gently blowing; motto, "*cessante vento, conquiescemus.*"

$35.[1] — A plough in a field, trees, landscape, in the background with clouds; motto, "*Hinc Opes.*"

[1] See note on next page.

$40.— A blazing altar surrounded by 13 stars in rays: above, the all seeing eye; motto, "*Confederation.*"

[1] $45.— Bee hives standing on a shelf within an open shed; motto, "*Sic floreat res publica.*"

$50.— An unfinished pyramid of 13 layers; motto, "*Perennis.*"

[1] $55.— A landscape with a storm breaking off and sun's rays piercing the clouds; motto, "*Post nubila phœbus.*"

$60. — The world represented as a globe revolving in the ether; motto, "*Deus regnat, exultet terra.*"

[1] $65.— A hand balancing a pair of scales; motto, "*Fiat justitia.*"

[1] 70.— A tree; In circle around is the inscription, "*Vim procellarum quadrennium sustinuit.*"

[1] 80.— A tree: In circle around is the inscription, "*Et in secula seculorum florescebit.*"

The reverses of the notes most usually bear as their devices various leaves; some, however, have other emblems such as a bow and arrows &c.

[1] These denominations are peculiar to the issue dated 14th January, 1779.

D.

Scales of Depreciation for the Settlements with Individuals for the States of Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina and South Carolina.

MASSACHUSETTS.

1777. per cent.	1778. per cent.	1779. per cent.	1780. per cent.	1780 and 1781.	for one.	1780.	for one.
January, .. 105	325	742	2934	April 25,..	42	August,.... 15,	70
February,.. 107	350	868	3322	April 30,..	44	September,. 10,	71
March,.... 109	375	1000	3736	May 5,..	46	October, ... 15,	72
April, ... 112	400	1104	4000	May 10,..	47	November,. 10,	73
May,..... 115	400	1215		May 15,..	49	November,. 30,	74
June, ... 120	400	1342		May 20,..	54	1781.	
July,..... 125	425	1477		May 25,..	60	February,.. 27,	75
August,... 150	450	1630		May 30,..	62	May,..... 1,	90
September,. 175	475	1800		June 10,..	64	June, ...	100
October,... 275	500	2030		June 15,..	68		
November,. 300	545	2308		June 20,..	69		
December,. 310	634	2593					

CONNECTICUT.

	1777.	1778.	1779.	1780.
January, ...		146, 152	742, 796	2932, 3115
February, ...		160, 170	868, 932	3333, 3533
March,.....		175, 186	1000, 1048	3732, 4000
April,.....		203, 214	1104, 1156	
May,.....		230, 245	1219, 1272	
June,.....		265, 281	1344, 1404	
July, ...		303, 332	1486, 1548	
August,.....		348, 370	1631, 1709	
September,.....	100, 104	400, 429	1800, 1908	
October,.....	109, 115	464, 500	2032, 2151	
November,.....	129, 121	545, 584	2340, 2433	
December,.....	135, 139	634, 679	2597, 2740	

NEW YORK.

	1778.	1779.	1780
January,.....	146, 152	742, 796	2932, 3115
February,.....	160, 167	886, 932	3333, 3533
March,.....	175, 186	1000, 1048	3732, 4000
April,.....	203, 214	1104, 1156	
May,.....	230, 245	1219, 1272	
June,.....	265, 281	1344, 1404	

	1777.	1778.	1779.
July,		303, 332	1486, 1548
August,		348, 370	1631, 1709
September,	100, 604	400, 429	1890, 2151
October,	109, 115	464, 500	2032, 2151
November,	121, 127	545, 584	2340, 2433
December,	133, 139	631, 679	2597, 2741

NEW JERSEY.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
January,	1.20	4	8	42	75
February,	1.10 or 1.9	4	10	50	90
March,	2.10	4	12	60	100
April,	3.10	5	16	60	120
May,	4.10	5	20	60	150
June,	2	5	20	60	
July,	2½	5	20	60	
August,	2½	5	24	60	
September,	2¾	5	24	60	
October,	3	5	30	75	
November,	3	6	36	75	
December,	3	7	40	75	

PENNSYLVANIA.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
January,	1½	4	8	40½	75
February,	1½	5	10	47½	75
March,	2	5	10½	61½	125
April,	2½	6	17	61½	160
May,	2½	5	24	59	225
June,	2½	4	20	61½	
July,	3	4	19	64½	
August,	3	5	20	70	
September,	3	5	24	72	
October,	3	5	30	72	
November,	3	6	38½	74	
December,	4	6	41½	75	

DELAWARE.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.
January,	1½	4	8	40½
February,	1½	5	10	47½
March,	2	5	10½	61½

	1777. for one.	1778. for one.	1779. for one.	1780. for one.
April,	2½	6	17	61½
May,	2½	5	24	59
June,	2½	4	20	61½
July,	3	4	19	64½
August,	3	5	20	
September,	3	5	24	
October,	3	5	30	
November,	3	6	38½	
December,	4	6	41	

MARYLAND.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
January,	1½	4	8	40	110
February,	1½	5	10	47	120
March,	2	5	10	60	140
April,	2½	6	17	60	160
May,	2½	5	24	60	280 } or 7 state dollars,
June,	2½	4	20	60	280 } for one of specie.
July,	3	4	20	60	
August,	3	5	20	65	
September,	3	5	24	75	
October,	3	5	30	85	
November,	3	6	38½	90	
December,	4	6	41½	100	

VIRGINIA.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
January,	1½	4	8	42	75
February,	1½	5	10	45	80
March,	2	5	10	50	90
April,	2½	5	16	60	100
May,	2½	5	20	60	150
June,	2½	5	20	65	250
July,	3	5	21	65	400
August,	3	5	22	70	500
September,	3	5	24	72	600
October,	3	5	28	73	700
November,	3	6	36	74	800
December,	4	6	40	75	1000

NORTH CAROLINA.

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
January,	..	3½	6	32	210
February,	..	3½	6½	35	225

	1777. for one.	1778. for one.	1779. for one.	1780. for one.	1781. for one.
March,	1½	3¾	7½	40	250
April,	1½	4	10	50	260
May,	1½	4	10	60	300
June,	1¾	4	12½	75	350
July,	2	4	15	90	400
August,	2⅛	4½	18	100	500
September,	2¼	4½	21	125	550
October,	2⅜	4¾	25	150	600
November,	2½	5	27	175	675
December,	3	5½	30	200	725

SOUTH CAROLINA.

	1777. per cent.	1778. per cent.	1776. per cent.	1780. per cent.
January,	...	221.10	761	3775
February,	...	211.10	832	4217
March,	...	267.10	893.10	4659
April,	108 ten p. c.	317	966.10	5101
May,	117	328.10	832	5245.10
June,	125.10,1-9	347.10	1177	
July,	139	354.10	1457.10	
August,	152.10	361.10	1637.10	
September,	166	380.10	1618	
October,	186	405	2040.10	
November,	206	520.10	2596.10	
December,	226	629	3233	

Table for the Payment of Principal and Interest of Loans, agreeable to the Resolutions of Congress of the 28th day of June, 1780. *Philadelphia. Printed by David C. Claypoole, printer to the Honorable the Congress.* M. DCC. LXXX. [*Original in the Philadelphia, Library. Tracts* 3744, D.]

IN CONGRESS, JUNE 28, 1780.

Whereas, congress on the 18th day of April last, resolved in the words following, viz: That congress will as soon as may be, make such provision for discharging or continuing the loans that have been made to these United States, or loan office certificates, as that the holders of them shall sustain no loss thereon by any depreciation of the bills loaned subsequent to the respective dates of the said certificates; therefore,

Resolved, That the principal of all loans which have been made to these United States shall finally be discharged by paying the full current value of the bills when loaned; which payment shall be made in Spanish milled dollars, or the current exchange thereof in other money, at the time of payment.

That the value of the bills, when loaned, shall be ascertained for the purposes above mentioned, by computing thereon a progressive rate of depreciation, commencing with the first day of September, 1777, and continuing to the 18th day of March, 1780, in geometrical progression and proportion to the time, from period to period, as hereafter stated, assuming the depreciation at the several periods to be as follows: On the first day of March, 1778, one dollar and three quarters of a dollar of the said bills for one Spanished milled dollar; on the 1st of September, 1778, as four of the former for one of the latter; on the 1st day of March, 1779, as eighteen of the former for one of the latter; and on the 18th day of March, 1780, as forty of the former for one of the latter.

That the principal of all certificates that have been taken out since the 18th day of March last, shall be discharged at the rate of one Spanish milled dollar, or the current exchange thereof in other

money, at the time of payment, for forty dollars of the said bills of credit received on loan.

That the principal of all certificates that shall hereafter be taken out, until the further order of congress, be discharged at the same rate and in the same manner as those that have been taken out since the 18th day of March last.

That the interest on loan office certificates, at the rate of six per cent per annum, computed on the principal, ascertained as aforesaid, shall be discharged annually, in like manner as the principal, until the principal shall be paid; *provided*, *nevertheless*, that the same interest and mode of payments on certificates taken out before the 1st day of March, 1778, shall be continued as at present, until the principal, ascertained as aforesaid, shall be ready to be discharged.

Ordered, that the board of treasury prepare the proper tables for direction of the commissioners of the continental loan offices in the several states in paying off the principal and interest of loans, agreeable to the foregoing resolutions.

GEO. BOND, *Deputy Secretary.*

(Extract from the minutes.)

TREASURY OFFICE, *July* 29, 1780.

In pursuance of the foregoing act, and on the principle therein laid down, the following table, for direction of the commissioners of the continental loan offices in the several states, in paying off the principal and interest of loans, is prepared, showing the value of one hundred dollars of the currency of the United States loaned at any time before the 1st day of September, 1777, and the 18th day of March, 1780, in specie with its interest for a year.

It is to be observed that the specie value of one hundred dollars, found on any day within the table, is to be multiplied by the number of hundreds expressed in the certificate of the same date, whose value in specie is required, and, in like manner, the interest arising thereon, and the answer will be obtained.

See example.

EXAMPLE.

	Dolls.	90ths.	8ths.
The specie value of a certificate of $500, and its interest, loaned the 1st day of May, 1779, as required on that day; by the table the specie value of one hundred current dollars is eight dollars $\frac{20}{90}$ths of a dollar, and $\frac{5}{8}$th parts of a ninetieth, which, multiplied by five, gives forty-one dollars, thirteen ninetieths and one-eighth for the principal.	8	20	5
			5
	41	13	1
The interest thereon $\frac{44}{90}$ths and $\frac{3}{8}$ths, multiplied by 5, the number of hundreds in the certificate, gives two dollars, forty-one ninetieths and seven-eights of a ninetieth for its interest in specie.		44	3
			5
	2	41	7

Table showing the Value in Specie of One Hundred Dollars, Continental Currency.

1777.	dol.	90ths.	1777.	dol.	90ths.	1777.	dol.	90ths.	1777.	dol.	90ths.
Sept. 1,	100		30,	91	38	29,	83	52	27,	76	37
2,	99	62	Oct. 1,	91	12	30,	83	29	28,	76	16
3,	99	34	2,	90	77	31,	83	6	29,	75	84
4,	99	6	3,	90	52	Nov. 1,	82	73	30,	75	63
5,	98	69	4,	90	27	2,	82	50	Dec. 1,	75	42
6,	98	41	5,	90	1	3,	82	27	2,	75	21
7,	98	14	6,	89	66	4,	82	4	3,	75	
8,	97	77	7,	89	42	5,	81	71	4,	74	70
9,	97	50	8,	89	17	6,	81	48	5,	74	49
10,	97	25	9,	88	82	7,	81	26	6,	74	28
11,	96	85	10,	88	57	8,	81	3	7,	74	8
12,	96	59	11,	88	33	9,	80	70	8,	73	77
13,	96	32	12,	88	8	10,	80	48	9,	73	56
14,	96	5	13,	87	73	11,	80	26	10,	73	36
15,	95	68	14,	87	49	12,	80	3	11,	73	16
16,	95	42	15,	87	25	13,	79	71	12,	72	85
17,	95	15	16,	87	1	14,	79	49	13,	72	65
18,	94	79	17,	86	66	15,	79	27	14,	72	45
19,	94	52	18,	86	42	16,	79	5	15,	72	25
20,	94	26	19,	86	18	17,	78	73	16,	72	5
21,	94		20,	85	84	18,	78	51	17,	71	74
22,	93	64	21,	85	60	19,	78	29	18,	71	55
23,	93	38	22,	85	37	20,	78	7	19,	71	35
24,	93	12	23,	85	13	21,	77	76	20,	71	15
25,	92	76	24,	84	79	22,	77	54	21,	70	85
26,	92	50	25,	84	56	23,	77	32	22,	70	65
27,	92	24	26,	84	32	24,	77	11	23,	70	46
28,	91	89	27,	84	9	25,	76	80	24,	70	26
29,	91	63	28,	83	75	26,	76	58	25,	70	7

1777.	dol.	90ths.
26,	69	77
27,	69	58
28,	69	38
29,	69	19
30,	69	
31,	68	71
1778.		
Jan. 1,	68	52
2,	68	32
3,	68	13
4,	67	85
5,	67	66
6,	67	47
7,	67	28
8,	67	9
9,	66	81
10,	66	62
11,	66	44
12,	66	25
13,	66	7
14,	65	78
15,	65	66
16,	65	42
17,	65	24
18,	65	5
19,	64	77
20,	64	59
21,	64	41
22,	64	24
23,	64	6
24,	63	78
25,	63	60
26,	63	42
27,	63	25
28,	63	7
29,	62	80
30,	62	62
31,	62	45
Feb. 1,	62	27
2,	62	10
3,	61	83
4,	61	66
5,	61	48
6,	61	31
7,	61	14
8,	60	87
9,	60	70
10,	60	54
11,	60	37

1778.	dol.	90ths.
12,	60	20
13,	60	3
14,	59	77
15,	59	60
16,	59	43
17,	59	27
18,	59	10
19,	58	84
20,	58	67
21,	58	51
22,	58	35
23,	58	19
24,	58	2
25,	57	76
26,	57	60
27,	57	44
28,	57	28
March 1,	57	12
2,	56	79
3,	56	56
4,	56	34
5,	56	11
6,	55	78
7,	55	56
8,	55	33
9,	55	11
10,	54	79
11,	54	56
12,	54	34
13,	54	12
14,	53	81
15,	53	59
16,	53	37
17,	53	16
18,	52	84
19,	52	63
20,	52	42
21,	52	20
22,	51	89
23,	51	68
24,	51	47
25,	51	27
26,	51	6
27,	50	75
28,	50	55
29,	50	34
30,	50	14
31,	49	84
Apr. 1,	49	64

1778.	dol.	90ths.
2,	49	44
3,	49	24
4,	49	4
5,	48	74
6,	48	54
7,	48	35
8,	48	15
9,	47	86
10,	47	66
11,	47	47
12,	47	28
13,	47	9
14,	46	80
15,	46	61
16,	46	42
17,	46	23
18,	46	5
19,	45	76
20,	45	58
21,	45	39
22,	45	21
23,	45	3
24,	44	74
25,	44	56
26,	44	38
27,	44	20
28,	44	3
29,	43	75
30,	43	57
May 1,	43	40
2,	43	22
3,	43	5
4,	42	77
5,	42	60
6,	42	43
7,	42	26
8,	42	9
9,	41	81
10,	41	65
11,	41	48
12,	41	31
13,	41	14
14,	40	88
15,	40	71
16,	40	55
17,	40	38
18,	40	22
19,	40	6
20,	39	80

1778.	dol.	90ths.
21,	39	63
22,	39	47
23,	39	32
24,	39	16
25,	39	
26,	38	74
27,	38	58
28,	38	43
29,	38	27
30,	38	12
31,	37	87
June 1,	37	71
2,	37	56
3,	37	41
4,	37	26
5,	37	11
6,	36	86
7,	36	71
8,	36	56
9,	36	41
10,	36	26
11,	36	12
12,	35	87
13,	35	73
14,	35	58
15,	35	44
16,	35	29
17,	35	15
18,	35	1
19,	34	77
20,	34	63
21,	34	49
22,	34	35
23,	34	21
24,	34	7
25,	33	83
26,	33	70
27,	33	56
28,	33	43
29,	33	29
30,	33	16
July 1,	33	2
2,	32	79
3,	32	66
4,	22	53
5,	32	39
6,	32	26
7,	32	13
8,	32	

1778.	dol.	90ths.	1778.	dol.	90ths.	1778.	dol.	90ths.	1778.	dol.	90ths.
9,	31	77	27,	25	51	15,	20		3,	15	55
10,	31	64	28,	25	40	16,	19	81	4,	15	48
11,	31	52	29,	25	30	17,	19	72	5,	15	40
12,	31	39	30,	25	20	18,	19	63	6,	15	33
13,	31	26	31,	25	10	19,	19	54	7,	15	26
14,	31	14	Sept. 1,	25		Oct. 20,	19	45	8,	15	19
15,	31	1	2,	24	78	21,	19	36	9,	15	13
16,	30	79	3,	24	67	22,	19	28	10,	15	6
17,	30	66	4,	24	56	23,	19	19	11,	14	89
18,	30	54	5,	24	44	24,	19	10	12,	14	82
19,	30	41	6,	24	33	25,	19	1	13,	14	75
20,	30	29	7,	24	22	26,	18	83	14,	14	69
21,	30	17	8,	24	11	27,	18	74	15,	14	62
22,	30	5	9,	24		28,	18	65	16,	14	55
23,	29	82	10,	23	79	29,	18	57	17,	14	48
24,	29	70	11,	23	68	30,	18	49	18,	14	42
25,	29	58	12,	23	58	31,	18	40	19,	14	35
26,	29	46	13,	23	47	Nov. 1,	18	32	20,	14	29
27,	29	35	14,	23	36	2,	18	23	21,	14	22
28,	29	23	15,	23	26	3,	18	15	22,	14	16
29,	29	11	16,	23	15	4,	18	7	23,	14	9
30,	28	89	17,	23	4	5,	17	89	24,	14	3
31,	28	77	18,	22	84	6,	17	80	25,	13	87
Aug. 1,	28	66	19,	22	74	7,	17	72	26,	13	80
2,	28	54	20,	22	63	8,	17	64	27,	13	74
3,	28	43	21,	22	53	9,	17	56	28,	13	68
4,	28	31	22,	22	43	10,	17	48	29,	13	61
5,	28	20	23,	22	33	11,	17	40	30,	13	55
6,	28	8	24,	22	22	12,	17	32	31,	13	49
7,	27	87	25,	22	12	13,	17	24	Jan. 1,	13	43
8,	27	76	26,	22	2	14,	17	17	(1779.) 2,	13	37
9,	27	64	27,	21	82	15,	17	9	3,	13	31
10,	27	53	28,	21	72	16,	17	1	4,	13	25
11,	27	42	29,	21	62	17,	16	83	5,	13	18
12,	27	31	30,	21	52	18,	16	76	6,	13	12
13,	27	20	Oct. 1,	21	43	19,	16	68	7,	13	7
14,	27	9	2,	21	33	20,	16	60	8,	13	1
15,	26	88	3,	21	23	21,	16	53	9,	12	85
16,	26	77	4,	21	13	22,	16	45	10,	12	79
17,	26	66	5,	21	4	23,	16	38	11,	12	73
18,	26	56	6,	20	84	24,	16	30	12,	12	67
19,	26	45	7,	20	75	25,	16	23	13,	12	61
20,	26	34	8,	20	65	26,	16	15	14,	12	55
21,	26	24	9,	20	56	27,	16	8	15,	12	50
22,	26	13	10,	20	46	28,	16	1	16,	12	44
23,	26	2	11,	20	37	29,	15	83	17,	12	38
24,	25	82	12,	20	28	30,	15	76	18,	12	33
25,	25	71	13,	20	18	Dec. 1,	15	69	19,	12	27
26,	25	61	14,	20	9	2,	15	62	20,	12	22

1779.	dol.	90ths.	1779.	dol.	90ths.	1779.	dol.	90ths.	1779.	dol.	90ths.
21,	12	16	12,	9	58	May 1,	8	20	20,	7	1
22,	12	10	13,	9	56	2,	8	18	21,	6	89
23,	12	5	14,	9	53	3,	8	15	22,	6	87
24,	11	89	15,	9	50	4,	8	13	23,	6	85
25,	11	84	16,	9	47	5,	8	11	24,	6	83
26,	11	79	17,	9	45	6,	8	8	25,	6	81
27,	11	73	18,	9	42	7,	8	6	26,	6	79
28,	11	68	19,	9	39	8,	8	4	27,	6	77
29,	11	62	20,	9	36	9,	8	1	28,	6	75
30,	11	57	21,	9	34	10,	7	89	29,	6	73
31,	11	52	22,	9	31	11,	7	87	30,	6	71
Feb. 1,	11	47	23,	9	28	12,	7	85	July 1,	6	69
2,	11	41	24,	9	26	13,	7	82	2,	6	67
3,	11	36	25,	9	23	14,	7	80	3,	6	65
4,	11	31	26,	9	20	15,	7	78	4,	6	63
5,	11	26	27,	9	18	16,	7	75	5,	6	61
6,	11	21	28,	9	15	17,	7	73	6,	6	59
7,	11	16	29,	9	12	18,	7	71	7,	6	57
8,	11	10	30,	9	10	19,	7	69	8,	6	56
9,	11	5	31,	9	7	20,	7	67	9,	6	54
10,	11		April 1,	9	5	21,	7	64	10,	6	52
11,	10	85	2,	9	2	22,	7	62	11,	6	50
12,	10	80	3,	8	89	23,	7	60	12,	6	48
13,	10	75	4,	8	87	24,	7	58	13,	6	46
14,	10	71	5,	8	84	25,	7	55	14,	6	44
15,	10	66	6,	8	82	26,	7	53	15,	6	42
16,	10	61	7,	8	79	27,	7	51	16,	6	40
17,	10	56	8,	8	77	28,	7	49	17,	6	39
18,	10	51	9,	8	74	29,	7	47	18,	6	37
19,	10	46	10,	8	72	30,	7	45	19,	6	35
20,	10	41	11,	8	69	31,	7	42	20,	6	33
21,	10	37	12,	8	66	June 1,	7	40	21,	6	31
22,	10	32	13,	8	64	2,	7	38	22,	6	29
23,	10	27	14,	8	62	3,	7	36	23,	6	28
24,	10	23	15,	8	59	4,	7	34	24,	6	26
25,	10	18	16,	8	57	5,	7	32	25,	6	24
26,	10	13	17,	8	54	6,	7	30	26,	6	22
27,	10	9	18,	8	52	7,	7	28	27,	6	20
28,	10	4	19,	8	49	8,	7	25	28,	6	19
Mar. 1,	10		20,	8	47	9,	7	23	29,	6	17
2,	9	87	21,	8	44	10,	7	21	30,	6	15
3,	9	84	22,	8	42	11,	7	19	31,	6	13
4,	9	81	23,	8	39	12,	7	17	Aug. 1,	6	12
5,	9	78	24,	8	37	13,	7	15	2,	6	10
6,	9	75	25,	8	34	14,	7	13	3,	6	8
7,	9	72	26,	8	32	15,	7	11	4,	6	6
8,	9	70	27,	8	30	16,	7	9	5,	6	5
9,	9	67	28,	8	27	17,	7	7	6,	6	3
10,	9	64	29,	8	25	18,	7	5	7,	6	1
11,	9	61	30,	8	23	19,	7	3	8,	5	89

1779.	dol.	90ths.	1779.	dol.	90ths.	1780.	dol.	90ths.	1780.	dol.	90ths.
9,	5	88	27,	5		15,	4	10	3,	3	34
10,	5	86	28,	4	88	16,	4	8	4,	3	32
11,	5	84	29,	4	86	17,	4	7	5,	3	31
12,	5	82	30,	4	85	18,	4	5	6,	3	30
13,	5	81	Oct. 1,	4	83	19,	4	4	7.	3	29
14,	5	79	2,	4	81	20,	4	2	8,	3	28
15,	5	77	3,	4	79	21,	4	1	9,	3	26
16,	5	76	4,	4	78	22,	3	89	10,	3	25
17,	5	74	5,	4	76	23,	3	88	11,	3	24
18,	5	72	6,	4	74	24,	3	86	12,	3	23
19,	6	71	7,	4	72	25,	3	85	13,	3	22
20,	5	69	8,	4	71	26,	3	84	14,	3	20
21,	5	67	9,	4	69	27,	3	82	15,	3	19
22,	5	66	10,	4	67	28,	3	81	16,	3	18
23,	5	64	11,	4	65	29,	3	79	17,	3	17
24,	5	62	12,	4	64	30,	3	78	18,	3	16
25,	5	61	13,	4	62	Dec. 1,	3	77	19,	3	15
26,	5	59	14,	4	60	2,	3	75	20,	3	13
27,	5	58	15,	4	59	3,	3	74	21,	3	12
28,	5	56	16,	4	57	4,	3	72	22,	3	11
29,	5	54	17,	4	55	5,	3	71	23,	3	10
30,	5	53	18,	4	54	6,	3	70	24,	3	9
31,	5	51	19,	4	52	7,	3	68	25,	3	8
Sept. 1,	5	50	20,	4	50	8,	3	67	26,	3	7
2,	5	48	21,	4	49	9,	3	66	27,	3	6
3,	5	46	22,	4	47	10,	3	64	28,	3	4
4,	5	44	23,	4	45	11,	3	63	29,	3	3
5,	5	42	24,	4	44	12,	3	62	30,	3	2
6,	5	40	25,	4	42	13,	3	60	31,	3	1
7,	5	38	26,	4	41	14,	3	59	Feb. 1,	3	
8,	5	36	27,	4	39	15,	3	58	2,	2	89
9,	5	34	28,	4	37	16,	3	56	3,	2	88
10,	5	32	29,	4	36	17,	3	55	4,	2	87
11,	5	30	30,	4	34	18,	3	54	5,	2	86
12,	5	28	31,	4	33	19.	3	52	6,	2	85
13,	5	26	Nov. 1,	4	31	20,	3	51	7,	2	84
14,	5	24	2,	4	29	21,	3	50	8,	2	83
15,	5	22	3,	4	28	22,	3	48	9,	2	82
16,	5	20	4,	4	26	23,	3	47	10,	2	81
17,	5	18	5,	4	25	24,	3	46	11,	2	79
18,	5	17	6,	4	23	25,	3	45	12,	2	78
19,	5	15	7,	4	22	26,	3	43	13,	2	77
20,	5	13	8,	4	20	27,	3	42	14,	2	76
21,	5	11	9,	4	19	28,	3	41	15,	2	75
22,	5	9	10,	4	17	29,	3	40	16,	2	74
23,	5	7	11,	4	16	30,	3	38	17,	2	73
24,	5	5	12,	4	14	31,	3	37	18,	2	72
25,	5	4	13,	4	13	Jan. 1,	3	36	19,	2	71
26,	5	2	14,	4	11	(1780.) 2,	3	35	20,	2	70

1780.	dol.	90ths.	1780.	dol.	90ths.	1780.	dol.	90ths.	1780.	dol.	90ths.
21,	2	69	28,	2	62	6,	2	56	13,	2	49
22,	2	68	29,	2	61	7,	2	55	14,	2	48
23,	2	67	March 1,	2	60	8,	2	54	15,	2	47
24,	2	66	2,	2	59	9,	2	53	16,	2	46
25,	2	65	3.	2	58	10,	2	52	17,	2	45
26,	2	64	4,	2	58	11,	2	51	18,	2	45
27,	2	63	5,	2	57	12,	2	50			

CHARLES LEE,
Secretary.

(This table, after March 18, 1780, is printed as found in a contemporary document.) —

1780,	April 1,.....	2.20	1780,	August 15,.....	1.30
"	" 10,.....	2.09	"	September 1,.....	1.26
"	" 20,.....	2.00	"	" 15,.....	1.22
"	May 1, ...	1.81	"	October, 1,.....	1.19
"	" 10, ...	1.73	"	" 15, ...	1.16
"	" 20, ...	1.66	"	November 1,.....	1.12
"	June 1,.....	1.60	"	December 1,.....	1.10
"	" 10,.....	1.54	1781,	January 1,.....	1.07
"	" 20, ...	1.48	"	February 1, ...	1.04
"	July 1,.....	1.43	"	March 1,.....	1.00
"	" 15,.....	1.38	"	April 1,.....	0.75
"	August 1,.....	1.34	"	May 1,.....	0.60

Tables of Depreciation found in *Webster's Essays*, p. 501.

1777.	Philadelphia Merchants' Books.	Virginia Merchants' Books.
January,.....	1½	1½
February,....	1½	1½
March,.....	2	2
April, ...	2	2
May, ...	2½	2
June, ...	2½	2
July, ...	3	3
August,.....	3	3
September, ..	3	3
October,.....	3	3
November,...	3	3
December,...	4	4
1778.		
January,.....	4	4
February,....	5	5
March, ...	5	5
April,.....	6	5
May,.....	5	5
June,.....	4	5

1779.	Philadelphia Merchants' Books.	Virginia Merchants' Books.
April,....	12½, 14, 16, 22	16
May,.....	22, 24	20
June,....	22, 20, 18	20
July,.....	18, 19, 20	21
August,..	20	22
Septr., ...	20, 28	24
October,..	30	28
Nov., ...	32, 45	36
Dec., ...	45, 38	40
1780.		
January,.	40, 45	42
Feb., ...	45, 55	45
March,...	60, 65	50
April,....	60	60
May,.....	60	60
June,....	60	65
July, ...	60, 65	65
August,..	65, 75	70
Septr., ...	75	72

1778.	Philadelphia Merchants' Books.	Virginia Merchants' Books.
July,.....	4	5
August,.....	5	5
September,...	5	5
October,.....	5	5
November,...	6	6
December,...	6	6
1779		
January,.....	7, 8, 9	8
February,....	10	10
March, ...	10, 11	10

1780.	Philadelphia Merchants' Books.	Virginia Merchants' Books.
October,..	75, 80	73
Nov.,....	80, 100	74
Dec., ...	100	75
1781.		
January,.	100	75
Feb.,.....	100, 120	80
March,...	120, 135	90
April,....	135, 200	100
May,.....	200, 500	150

E.

Proceedings against those Persons who had refused the Continental Notes.

PROCEEDINGS OF PHILADELPHIA COMMITTEE.[1]

PHILADELPHIA, Nov. 7, 1775.

Information was given that Messrs. *Owen Jones*, *Jonathan Zane* and *Joshua Fisher & Sons* had refused to receive the continental bills in the course of their business, and on inquiry it appeared that Mr. *Jones* had not considered himself at liberty to receive said bills as provincial treasurer, in which character he had only refused them, until he had advised thereon with the members of assembly, Mr. *Zane* having long been confined to his house by indisposition.

Resolved, That Messrs. *Matlack* and *Benezet* wait on him and inquire his reasons for said refusal.

November 14. The committee being informed that Mr. *Joseph Richardson*, silversmith, has refused to take the continental currency,

Resolved, That he be desired to attend this committee immediately

Mr. *Richardson* attended and acknowledged that he had refused to receive the continental bills in the course of his business, and alleged as his motive a conscientious scruple as said currency was emitted for the purpose of war.

The committee considering it of the utmost importance to the general weal that no discouragement should be given to the currency of the bills issued by the continental congress, and that it is their duty to take some measures to prevent any such discouragement,

Resolved, That Messrs. *McKean*, *Smith*, *Matlack*, *Wilcocks* and *Milligan* be a committee to consider and report what steps the committee ought to take in this matter.

November 21. The committee appointed to consider what measures

1 *Force's Am. Archives*, 4 series, iii, 1388.

ought to be taken in the case of persons who may refuse to receive in the course of their business, the continental bills, reported that on full consideration of the importance and delicacy of the case they were of opinion that this committee ought to refer the same to the general congress, that such measures may be ordered by them as will give full and effectual remedy in this case before any considerable real injury may arise from such refusal.

Mr. *Thomas Fisher*, one of the partners of the house of *Joshua Fisher & Sons* attended in committee and declared that from conscientious motives their house could not accept this kind of money, as it is issued for the purpose of war.

On motion, *Resolved*, that Messrs. *Wilcocks* and *Smith* be directed to wait on the president of the continental congress with a copy of the minutes of the committee concerning the refusal of the continental bills by sundry persons.

Extract from the minutes of the committee of the city and liberties of *Philadelphia*.

JONATHAN B. SMITH, *Secretary*.

PROCEEDINGS OF DOVER (DEL.) COMMITTEE,[1]

IN COMMITTEE, DOVER, *January* 4, 1776.

Resolved, That the keeping up of the credit of the continental currency is essential to support the *united colonies* in their virtuous opposition to ministerial oppression; and that the refusal to take said currency in payment of debts, &c., will tend to depreciate the value of the same.

Resolved, That it appears to this committee by the confession of *John Cowgill*, a residenter of *Little Creek* hundred in this county, that he has refused, and from conscience shall refuse to take said continental money in discharge of debts or for other purposes when tendered to him.

Therefore, unanimously resolved, That it is the opinion of this com-

1 *Force's Am. Archives*, 4 series, iv, 564.

mittee that the aforesaid *John Cowgill* is by such his conduct, an enemy to his country and ought to be treated as such by every friend to American liberty; and that they ought to have no further dealings with him.

Signed by order of the committee of inspection and observation for *Kent* county on *Delaware*.

THOMAS RODNEY, *Chairman*.

PROCEEDINGS OF BERKS COUNTY (PENN.) COMMITTEE.[1]

READING, *January* 30, 1776.

The committee of *Berks* county being justly alarmed at the attempts of the enemies of *America*, in the different parts of this province to depreciate the continental currency, and having received information that *Gaius Dickenson*, a public friend, has been one of the instruments in propagating so fatal a measure, the committee being determined to support the said currency, sent for the said *Gaius Dickenson*, who being brought before them, made the following declaration which was voted satisfactory:

"*Whereas*, I, the subscriber, have unfortunately been guilty of endeavoring to depreciate the continental currency, but being now convinced and satisfied that such a conduct is highly unbecoming the duty of an *American*, and tends immediately to obstruct the measures calculated to preserve the liberties of this country from the cruel and unrelenting oppressions of the *British court*, do most sincerely acknowledge the heinousness of such offence, do beg pardon of my offended countrymen, and do also solemnly engage and promise not to be guilty of a like offence in future, but to conform to such measures as shall be adjudged necessary for the preservation of the rights of *America*, trusting and confiding that nothing will be expected from me inconsistent with the religious principles of the society with which I profess. And as a further atonement for my

1 *Force's Am. Archives*, 4 series, iv, 887.

misconduct, I request this acknowledgment to be made public, in hopes it may deter others from committing the like offence.

Witness my hand this thirtieth day of the first month, in the year of our Lord 1776. GAIUS DICKENSON."

At the same time one *William Gilliland*, who had been some time in confinement by order of the committee, was brought up and discharged after subscribing the following acknowledgment of his misconduct:

"*Whereas*, I, the subscriber, have been so very wicked and abandoned as to speak at sundry times disrespectfully of the honorable the continental congress, and have also endeavored to depreciate their currency, for which detestable conduct I have deservedly been confined in the jail of this county by the committee of said county, but being now fully convinced of the heinousness and horrible tendency of such conduct, do hereby, in the fullest manner, most sincerely beg pardon of my justly incensed countrymen, and do promise hereafter never to be guilty of the like, but in all instances to conform to such rules and regulations as may be instituted by that very respectable body, for the preservation of our invaluable but invaded rights and liberties: and do further request that this my acknowledgment be made public, that others may be deterred from following my shameful and wicked practices.

In witness whereof I have hereunto set my hand this thirtieth day of *January*, in the year of our Lord 1776.

WILLIAM GILLILAND."

By order of the committee:

MARK BOYD, *Chairman*.

PROCEEDINGS OF MASSACHUSETTS COUNCIL.[1]

January 31, 1776.

Whereas, the general court have received such information as

1 *Force's Am. Archives*, 4 series, iv, 1284.

that there is reason to apprehend a confederacy is forming by some evil minded persons in this and other colonies which may injure the credit of the continental bills and the bills of this and the other colonies; therefore,

Resolved, That it be recommended to the committees of inspection and correspondence in all the towns in this colony, to make strict inquiry in their several towns and if they shall find any person within the same endeavoring in any way whatever to prevent the credit of the continental bills, or the bills of this or any other of the *United Colonies* of *America*, or alter or counterfeit the same, that they cause such persons to be arrested and secured, and that they give information thereof to this court in order that such person may be proceeded with according to the just demerits of such high crimes and misdemeanors, and that this resolve be published in all the newspapers in this colony."

PROCEEDINGS OF PHILADELPHIA COMMITTEE.

PHILADELPHIA, *January* 31, 1776.[1]

Whereas, I, *William Jarrett*, of *Horsham* township, *Philadelphia* county, have refused continental currency, and was led thereto from an opinion of its value and legality, but on mature consideration and being showed the resolves of congress, am fully of opinion that such money is both legal and of equal value with any other currency now passing among us, and that I shall in future receive such money and am heartily sorry for my past refusal of it.

WILLIAM JARRETT.

In committee of Inspection and observation,
PHILA., *February* 5, 1776.[2]

"*Whereas*, the continental congress did lately resolve — That if any person should be so lost to all virtue and regard for this country as to refuse to receive the bills of credit emitted by the authority of congress or should obstruct or discourage the currency thereof, and be convicted

1 *Force's Am. Archives*, 4 series, iv, 896.
2 *Force's Am. Archives*, 4 series, iv, 941.

by the committee of the city, county or district where he should reside, such persons should be deemed published and treated as an enemy of his country and be precluded from all such intercourse with the inhabitants of the colonies.

"*And whereas, John Drinker, hatter, Thomas & Samuel Fisher* of the house of *Joshua Fisher & Sons*, merchants, all of this city, all having been charged with a breach of this resolve in refusing to receive the above bills of credit in payment appeared before the committee, acknowledged the truth of the change, and alleged in their defence scruples of conscience thereupon as being money emitted for the purpose of war.

This committee, pursuant to the trust reposed in them proceeded to consider the charge and defence and are of opinion that if such allegation was true yet as the congress have made no exception, and as such conduct tends to support the most essential rights and liberties of their fellow citizens, and by destroying the means of defence to expose their lives and properties to unavoidable ruin, it ought not to be admitted; but it appears to this committee by their own acknowledgments have heretofore received and do continue to receive bills of credit emitted in this and the neighboring provinces though frequently emitted for the purposes of war, therefore such objection is not well founded, nor the present pretence consistent with their former conduct. This committee, therefore (the parties having declared they did not mean to appeal to any other board), to hold up to the world the said *John Drinker, Thomas & Samuel Fisher*, as enemies to their country, and precluded from all trade or intercourse with the inhabitants of these colonies."

Ordered, That the above be published.

Extract from the Minutes, P. Z. LLOYD, Secretary.

Thomas Rogers and Joseph Sermon declared Enemies of their Country for refusing to receive the Continental Bills of Credit.[1]

PHILADELPHIA, *February* 20, 1776.

Whereas, the Continental Congress did lately resolve, "That if any person should be so lost to all virtue and regard for this country, as to refuse to receive the BILLS of CREDIT emitted by the authority of congress, or should obstruct or discourage the currency thereof, and be convicted by the committee of the city, county or district, where he should reside, such person should be deemed, published and treated as an enemy of his country, and be precluded from all trade or intercourse with the inhabitants of the colonies." And *whereas*, THOMAS ROGERS and JOSEPH SERMON, both of this city, having been charged with a breach of this resolve, in refusing to receive the above bills of credit in payment, appeared before the committee of the city and liberties, acknowledged the truth of the charge, and alledged in their defence, scruples of conscience thereupon, as being money emitted for the purpose of war.

The committee, pursuant to the trust reposed in them, proceeded to consider the charge and defence, and were of opinion, that if such allegation was true, yet as the congress have made no exception, and as such conduct tends to subvert the most essential rights and liberties of their fellow citizens, and by destroying the means of defence, to expose their lives and properties to unavoidable ruin, it ought not to be admitted. But it appears by their own acknowledgments, that the above persons have heretofore received, and do continue to receive bills of credit emitted in this and the neighboring provinces, though frequently issued for the purposes of war, therefore such objections is not well founded, or the present pretence consistent with their former conduct. This committee therefore (the parties having declared they did not mean to appeal

1 *Force's Am. Archives*, 4 series, iv, 1211.

to any other board) do unanimously hold up to the world the said THOMAS ROGERS and JOSEPH SERMON, as ENEMIES to their country, and precluded from all TRADE or INTERCOURSE with the inhabitants of the colonies.

Ordered, That the above be published.

[Extract from the minutes,] J. B. SMITH, Secretary.

PHILADELPHIA, *February* 28, 1775.

F.

Documents and Letters[1] *containing Matter explanatory of and relative to the Continental Money.*

I.

Letter of Michael Hillegas, Treasurer of the United States, to the Board of Treasury, in relation to Counterfeit Notes of the Emissions of 1777 *and* 1778.

"*Gentlemen*: I have before me an extract of Mr. Appleton's letter of the 27th January last, transmitted me for my opinion by your honorable board ye 17th instant, in the words following:

"I find bills of the same date differ in some particulars and yet "I can't declare either of them to be counterfeited, particularly "seven dollar bills of April, 1778, differs in the word *United* at "the top of the bills, yet neither of them copperplates, I should "suspect the money was struck off by two presses or varied after "striking off part. I shall be glad of information."

On which I would observe, that it is impossible upon so general a description to give any certain opinion, not having the bills to view and compare to see wherein the difference lay, I could therfore wish Mr. Appleton had sent them.

I can have no idea of any alteration in the part by him pointed out, more than the common wear of letters and cuts will undergo by becoming more and more blunt by long use; the difference by him pointed out is in the top border of the seven dollar bill, which happens to be a solid block of metal on which the cuts were made, consequently no part thereof could shift or change nor any alteration arise unless in the way just hinted, viz. by long wear and usage, during which it always happens that the cuts become more

1 The following documents from one to eleven inclusive are in the valuable collection of autographs of JEREMIAH COLBURN Esq., of Boston, by whose kindness they are here reproduced.

and more dull, and sometimes by an accidental hard lump or gravel in the paper will with the force of the press break off some of the lines in the cuts, or parts of letters. If the foregoing with the proof sheets to be sent Mr. Appleton[1] should not remove his doubts, I think he had better send a few of those suspected bills by the first Express which comes this way.

I am Gentlemen,

Your most Obed't. Servt.

M. HILLEGAS.

PHILADELPHIA, *February* 19, 1779.

II.

Nathaniel Willis's Account for Printing for the Massachusetts Loan Office from February to December, 1779. *Paid January* 10, 1780.

NATHANIEL APPLETON, ESQ.,

To NATHANIEL WILLIS DR.

1779.		
Feb'ry 18,	To advertising that constant attendance is given at the Loan Office, for the usual Business of delivering Receipts, &c., &c.,	£3 12s.
March 10,	To publishing an advertisement relative to a false report spread thro' the Town, &c.,	3 00
April 1,	To advertising that Loan Office certificates are ready to deliver and as usual,	2 08
May 20,	To publishing a resolve of Congress taking out of circulation the emissions of May 20, 1777, and April 11, 1778,	3 12
Sept'r 2,	To advertising that three millions eight hundred and fifty-two thousand, seven hundred and fifty-six dollars have been destroyed,	4 10
Sept'r 9,	To publishing an advertisement requesting the person who sent two receipts to the Loan Office, &c.,	3 00
Dec'r 16,	To publishing an advertisement notifying that the dead emission would be received till the last of December,	4 10
		£24 12

Received payment in full for the above.

NATHANIEL WILLIS.

January 10, 1780.

[1] Mr. Appleton was the commissioner of the Massachusetts branch of the United States loan office.

III.

IN CONGRESS, *June* 19, 1780.

Resolved, That if any person or persons shall take and prosecute to conviction any person who shall prepare, engrave, stamp, forge or print, or cause or procure to be prepared, engraved, stamped, forged or printed, the counterfeit resemblance of any paper bills of credit issued, emitted or made by congress, or who shall counterfeit or sign the name or names of the signers to any true bills to such counterfeit paper, with the intention that such counterfeit paper shall be passed in payments or received as genuine and good bills, whether the same be so passed or received or not; or who shall pay or tender in payment any such counterfeit money, or deliver the same to any other person or persons with an intention that such counterfeit paper be passed, paid or received, as and for good and genuine, knowing the same to be forged or counterfeited, upon every such conviction and procuring a certificate thereof, under the hands of the judges before whom such conviction shall be had, or either of them; such person or persons shall receive of the continental loan officer of the state where such conviction shall be had, the sum of two thousand dollars in the present continental currency, which the said loan officer is hereby directed and required to pay out of any public money in his hands, and to charge the same to the United States.

Extract from the Minutes,

CHARLES THOMSON, Secretary.

IV.

Letter from President Huntington to Nathaniel Appleton.

PHILADELPHIA, *June* 30, 1780.

Sir: By the act of congress of the 29th instant herewith enclosed you will be informed, that Nathaniel Appleton and Joseph Henderson Esquires, are appointed commissioners on the part of

the United States, either of them to endorse the bills that shall be emitted pursuant to the resolution of congress of the 18th of March last.

You will please to observe the same bills are to be endorsed on the part of the United States but by one commissioner, tho' two are appointed to avoid delay in case of the death or inability of one, and it may be convenient for one to endorse the whole if practicable without delay.

I am Sir, with much respect,
Your most obedient servant,
SAMUEL HUNTINGTON, President.

Nathaniel Appleton, Esquire.

V.

IN CONGRESS, *August* 29, 1780.

Resolved, That Thomas Whalley and Peter Boyer be appointed in addition to Nathaniel Appleton and Joseph Henderson, commissioners on the part of the United States, any one of them to endorse the bills that shall be emitted by the state of Massachusetts bay pursuant to the resolution of congress of the 18th day of March last.

Extract from the Minutes,
CHARLES THOMSON, Secretary.

VI.

Commonwealth of Massachusetts, } *Oct. the* 26*th*, A.D. 1780.
SUFFOLK, ss. }

This certifies that Benjamin Blake of Boston, in the county of Suffolk, did take and prosecute Ebenezer Burbank of Sudbury in the county of Middlesex, Laborer at the Supreme Court of Judicature, &c., held at said Boston on the last Tuesday of August last, to

a conviction for unlawfully uttering and paying to one Thomas Harlow eight false and counterfeit notes and bills of the denomination of fifty dollars, fabricated in imitation of the good, lawful and current bills of credit of the United States; he, the said Ebenezer, knowing the said bills to be forged and counterfeit;—which conviction appears of record.

Attrs. WM. CUSHING, } Two of the Justices
NATH'L PEASLEE SERGEANT. } of said Court.

BOSTON, *October* 27th 1780. Received of Nathaniel Appleton, commissioner of the loan office in the state of Massachusetts, two thousand dollars of the old emissions by virtue of the written certificate in pursuance of a resolution of congress May 19, 1780, for detecting any person concerned in counterfeiting the bills of credit of the United States, or uttering the same knowing them to be such.

BENJ. BLAKE.

VII.

IN CONGRESS, *November* 10*th*, 1780.

Resolved, That the commissioners of the continental loan offices in the respective states be and hereby are directed to forward to the continental treasury at Philadelphia all such continental bills of credit as may have been from time to time lodged in their offices pursuant to the act of congress of the 18th day of March last, having first cancelled them in the mode prescribed by the resolution of the first day of Sept. last, that they may be examined and burned.

Extract from the Minutes,

CHA. THOMPSON, Secretary.

VIII.

This is to certify that at the Superior Court of Judicature court of Assize and General Goal Delivery held in Worcester within and

for the county of Worcester, upon the third Tuesday of September last, John Williams of Shrewsbury in said county, inn holder, was legally convicted of uttering one false, forged and counterfeit bill of the denomination of fifty dollars to one Aaron Goodale of said Shrewsbury, knowing the same to be counterfeit, and the said Aaron Goodale did take and prosecute the said Williams to said conviction.

November 16*th*, 1780.

WILLIAM CUSHING, NATH'L PEASLEE SARGEANT. } Two of the Justices of said Court.

November 29, 1780.

To all whom it may concern.

Received of Nathaniel Appleton, commissioner of the loan office of the state of Massachusetts, two thousand dollars of the old emissions, for Mr. Aaron Goodale as ℔. his order in pursuance of a resolution of congress passed June 19th, 1780, upon which order I have endorsed the same sum.

PR. EZRA BEAMAN.

IX.

Commonwealth of Massachusetts, MIDDLESEX, ss.

This is to certify all whom it may concern that John Williams Jr of Shrewsbuuy, in the county of Worcester, was at the Superior Court, of Judicature, &c., for sd. commonwealth held at Cambridge within and for the county of Middlesex, on the second Tuesday of November instant, convicted of unlawfully and knowingly uttering nine counterfeit fifty dollar bills to Joseph Cleasby, and that the said Joseph Cleasby prosecuted the said Williams to said conviction.

November 18th, A.D. 1780.

WILLIAM CUSHING, NATH'L PEASLEE SARGEAN. } Two of ye Justices of said Court.

BOSTON, *November 20th*, 1780.

Received of Nathaniel Appleton commissioner of loans in the state of Massachusetts two thousand dollars of the old emissions by virtue of the within certificate, agreeable to a resolution of congress passed June 19th, 1780. JOSEPH CLEASBY.

X.

PHILADELPHIA, *June* 19, 1781.

Sir: Yours of the 7th ultimo with the six chests of defaced money (old emissions) said to contain thirteen million and one thousand six hundred and thirty-seven dollars, as well as the chest from Nicholas Gilman Esquire, of New Hampshire, was delivered me per Lieut. Osgood Carleton on the 11th instant, the whole of which shall deliver to the commissioners appointed by congress for burning the same. I likewise have received yours of the 9th ult. ℔ post, copy of which I have sent to the Hon^ble^ the board of treasury, to be (if they approve thereof) by them forwarded to congress, which I hope may be done, if not already sent there, tho' I wish you had wrote a letter to ye president of congress mentioning something of what you did to me, it might havehad its use; for my part I really think some provision should be made for the payment of the interest of the new bills, as that would in some degree support their credit, and guard against a depreciation which I dread should nothing be done. I am informed (tho' I do not know how true) that the state of New York have provided hard money in their state treasury for payment of the interest of their new bills, and have not rely'd on congress; and I think as the mind of congress is so much taken up with the prosecution of this just and necessary war in defence of our lives, liberties and properties, and in works of general concern to all the states, perhaps it would have been best if all the states had had it in their power to have done the same as New York. But *entre nous* I sincerely wish the interest had never been annexed originally to the money; the idea of

a circulating money bearing interest which is and must be daily accruing, in my opinion is really a laughable affair enough, tho' I don't chuse to say it is ridiculous oras some politicians say *foolish*, — but as it is at present we ought now to support it.

As to the money you paid Lieut. Carleton on accofint of his expences coming with the defaced money, you will please to charge the same in your acc^{ts} of disbursment against the United States.

I am sir with much esteem and regard

Your most obedient servant,

M^{l}. HILLEGAS.

Nath^{l} Appleton, Esq^{r}.

XI.

(Confidential).

BOARD OF TREASURY, *Oct.* 16*th*, 1786.

Sir: The embarassments to which the board are daily reduced in making payments to persons having claims on the treasury, on account of a general stagnation in the collection of taxes obliges us to call forth every resource in our power to support the form of the federal government, so long as it can be maintained without a more efficacious system of general revenue than has at present been adopted. In exploring these resources, we observe that you have in your hands of the new emission money of the 18th March, 1780, $67,197\frac{86}{90}$ subject to the orders of the United States in congress.

We have therefore to desire that you will use your best endeavors to negotiate for specie twenty five thousand dollars of the said money on the most advantageous terms you can effect the same, taking care to conduct this business with so much caution, that the transaction shall only be known to yourself and the broker whom you may find it necessary to employ in this business. You will see the propriety of cutting out these bills previous to their being issued.

The negotiation of this paper must be kept distinct from your

other accounts, and you must transmit quarterly to this board your accounts of this transaction, supported by proper vouchers in order that the proper entries may be made thereon in the books of the treasury. In a late letter received from Mr. Royal Flint, on the subject of this money, he gives his opinion that a considerable quantity of it may be negotiated in the space of three months, at the rate of four for one. Confiding in your best exertions to effect the object entrusted to you, for the best interest of the United States, we are sir with regard,

Your obedient humble servants,

SAMUEL OSGOOD,
WALTER LIVINGSTON,
ARTHUR LEE.

To Nathaniel Appleton, Esquire,
Commissioner of the Loan Office, state of Massachusetts.

XII.

Letter of the Marquis De Lafayette.[1]

CAMP, THE 30*th December*, 1777.

Dear Sir: I come again to trouble you about my business — but I want some dollars from you which I desire you would send me by some opportunity — we shall make the same conditions or any other as you may be pleased — I expect gooddill of currency paper from Charleston, and if you choose, I could let you have it with any interest you'l think proper — in all I desire you to be alone master of the conditions between us — I took already the liberty of taking from Count de send to Pulaski two hundred dollars which he was to send thirty-seven pounds 10*d.* or perhaps more, which I beg you would give to him or any body from him — for the remains out of those two employments I hope you will be so

[1] *American Notes and Queries, January*, 1857.

good as to send it to me by some occasion — I beg you thousand pardons for being so troublesome, but my confidence ithee from your kindness for me since the first moment of my arrival in this country.

I gave in landing at Charleston every guinea I had for currency paper — I thought that I could never leave soon enough that eavy gold for continental money, and as some body proposed me some trifling advantage I made to him the most severe reproaches — however I wish'd now to have about fifty guineas if it was possible and to give for it what interest or bills of exchange you would think proper.

We have no news in camp since the enemy went again to Philadelphia — it is very disagreeable to be obliged by common hate and every rule of war to acknowledge that we cannot attack those redoubts in our present circumstances without the total ruin of the American army — attacking must not be our present scheme — let us have men to fight — this is the first thing — let us make soldiers of these men as far as so little time will permit — those things will not be done before the spring, and if they are done in a right manner, the we must exert ourselves in the field — the building of our huts is advancing there I hope our men will be very comfortable.

I have been very glad to hear that Virginia took the resolution of filling up all his regular rgts, for my division is very far from being strong in consequence of the most part being to be dismissed soon — however before my coming there great many of 'em have been reënlisted for the war on the condition of going on furlough immediately. With the most affectionate sentiments I have the honor to be, dear sir,

Your most obedient servant,

MARQUIS DE LAFAYETTE.

XIII.

TREASURY OFFICE, *July 6th*, 1779.

Ordered: That the several Commissioners of the Continental Loan Offices receive in exchange for Loan office certificates, indented receipts, issued by them respectively, for bills of the emissions of May 20th, 1777, and April 11th, 1778.

Extract from the Minutes.

ROBERT TROUP,
Secretary.

Circular.

(The original letter of which the foregoing is an exact copy, is in the possession of the author).

XIV.

Letter of Michael Hillegas, Treasurer of the United States, to Nathaniel Appleton, Commissioner of the Massachusetts Loan Office, Boston.

PHILADELPHIA, *May 14th*, 1781.

Sir: Yours of the 9th ulto. came safely to hand, and am obliged to you for the redemption of the counterfeits, and have to say as the Treasury affairs very likely will receive some alterations by the appointm^{t} of Mr. Robert Morris, as financier, it is probable after some time, the affair of the counterfeits taken by civil officers may come under consideration, for the doing of which, my mite shall not be wanting so that it may be fixed one way or other. —I believe, I already informed you that the Legislature of Virginia, by a resolve, have indemnified their state treasurer, as to what counterfeits he had taken in his office. The situation of affairs at present here, are

so fluctuating, that the rates of exchange are hard to be known — I hope however we shall become more steady, when shall with pleasure answer your request,

I am sir with much esteem and regard,

Your most obdt. Servt.

M[l] HILLEGAS.

P. S. This goes ℔ Mr. Jesse Brown who is to bring punch money from you. I hope there will be a distinct invoice with each package.

(The original of the above letter is in the possession of the author.)

XV.[1]

CONCORD,[2] *April 18th*, 1777.

My Esteemed Friend, &c: I am almost sick of this world, and the plane coats that are in it (and wish I had a good title to a better), some of those stif rumps pretend to be in the world, and not off it, high in profession, whose practice gives them the lie; they are some of the keenest fellows we have amongst us, and to a discerning eye, it is evident that gain is their God. If they have anything to sell, they are sure to ask a continental price for it, and then make many evasions not to take y[e] money. Notwithstanding what I have said I love and revere an honest man, let his profession in religion be what it will. I have taken about a thousand pounds of continental and resolve money, first and last, three hundred of which I have past since I have been in Concord. I believe I have not taken twenty shillings in any other money but continental and resolve this twelve

[1] The following letter, No XV, and XVI, are in the collection of Autographs of Charles H. Hart Esq., of Philadelphia, through whose kindness we have been permitted to use them.

[2] Del. Co., Penn. [*Ed.*].

months or more. Yesterday, Jacob Keyser, of Germantown, paid me £200 in continental money; he gave the widow Warner £380 for the place he morgaged to me, and is now about selling it for £800. I have a mind to buy a place myself, but the money is so depreciated, that one must give as much again as a place is worth, and it's but few that will take it at any rate. They are less afraid of old Nick.

I shall endeavour to make myself as easy under my present circumstances as I possibly can. I well remember the time when I was not worth 20*s.* in the world; if I should live to see that time again, I desire to bless God that I have not been a beggar all my life time. If the money I have should die in my hands, I must go to work again, and if I can't do much, I must do little. I gratefully remain for the many kindnesses I received from you and your loving consort, during a series of years in your servis, may God's choicest blessing be your reward, my best respect to Mrs. Paschall, love to Polly, and the rest of the family, I remain with the utmost respect sir,

Your very humble servant,

JOHN BLAKEY.

N.B. I should come to town to discharge two mortgages in the office, but John works almost every day 4 of his horses, the 5th is lame and like to be so, the 6th and last is a coalt of a year old, not fit for the saddle.

XVI.

CONCORD, *November 29th*, 1778.

My dear Sir: We live in an age, and revolution of the world, when too many of its inhabitants have neither faith, honour nor conscience, or the feeling of humanity or common honesty. The other day when my cousin John was at your house, he told me the widow Jones was there inquiring after me, in order I suppose to

settle with me in a continental way, that is, to give me for a hundred pounds what is not worth twenty. The money has been on interest six years and almost seven months, and but one year's interest paid. The principal of a hundred pounds in continental money at five to one is,..... £500, 00 00
the interest for 5 years and 7 months is,..... 167, 10 00

£667, 10 00

I am not fond of it at any rate, as it is of such a depreciating nature. If she has a mind to pay me in hard money, it comes to £133, 10. I don't intend to take any pay that is not equivalent to it; please to tell her so the first opportunity, and I shall take it as a great favour. * * * The conditions in her husbands bond says I shall be paid without fraud; that is all I desire.

Sometime ago when I had the honour and happiness to live in your family, Mrs. Jones came to me and acquainted me she had buried her husband, had lost a young negro wench, was left with six children, and bursted into tears, prop'd. I would not be hard with her, and I should be ☞ *Honestly Paid.* I told her she must not cry, not break her heart, I had never sued any body, that I was not going to begin then, if she could not pay me then, I should endeavour to do without it. If I had less feeling for other people and more for myself, it whould perhaps been better for me this day. Had I gone to Philadelphia last summer when the English was there, and sold her house for hard money, and paid myself out of it, I doubt not but she would have said, I was a hungry fellow that had us'd her badly, but if I know my own heart, I should rather loose all the money than do an ill thing to save it. My dear friend, I wish you the recovery of your just debts, to your sattisfaction, but least, I should tire your patience and my pen, I shall conclude with subscribing myself your and Mrs. Paschall's unalterable friend, and humble servant, JOHN BLAKEY.

N.B. Love to my little Polly and all inquiring friends. — When a mortgage is paid off, it is required of the mortgagee to give a receit

in the margin of the recorded deed in the office, and say receiv'd full satisfaction without fraud, defalcation, or abatement. How can do this, when I am not paid its valuation or sum total.

Yours, &c.,

Two letters in reference to the Conventions of the Eastern States for regulating Prices, &c. Communicated from the record by Charles J. Hoadly Esq., of Hartford.

XVII.

SPRINGFIELD, *Aug. 6th*, 1777.

Sir: The committees from the several states of New Hampshire, Massachusetts Bay, Rhode Island, Connecticut and New York, in pursuance of the proposal of the state of Massachusetts Bay, have met and conferred upon several subjects therein recommended, and have passed a number of resolutions a copy of which I am directed to be laid before the honorable congress for their consideration. The first four of those states the last winter passed acts to prevent monoply and oppression in order to support the credit of their paper currency. But the other United States, not judging it expedient to enact similar laws, hath in a great measure prevented their answering the good purposes for which they were intended, and has rendered very difficult if not impracticable fully to execute the same, other measures have therefore now been agreed upon for the same purposes, the reasons of which we apprehend will greatly depend upon the concurrence of the United States in the same. We are so fully impressed with the importance of drawing in and sinking the bills of credit emitted by the several states, and of the necessity of larger and frequent taxations to supply the continental treasury and to defray the charges of government, that we have earnestly recommended it to the several states we respectively represent, and we apprehend it will be absolutely necessary for simi-

lar measures to be adopted by the other United States in order to support the credit of the paper currency and to prevent any further emissions for the purposes of defraying the charges of the war and the support of internal government. We submit the whole to the honorable congress that such measures may be taken for that end as they in their great wisdom shall think proper.

I am in behalf of the convention,

Sir, your most obed^{t} and very humble Serv^{t},

STEPHEN HOPKINS.

The Hon^{ble} JOHN HANCOCK, ESQUIRE,

President of the continental congress at Philadelphia.

XVIII.

HARTFORD, *June* 10th, 1778.

Sir: In pursuance of a resolution of the honorable congress of the 22d of November last, the general assembly of this state appointed commissioners to meet those appointed by the states of New Hampshire, Massachusetts Bay, Rhode Island, New York, New Jersey, Pennsylvania and Delaware, at New Haven on the 15th of January last, for the purpose of advising the most prudent and effectual measures for promoting and carrying into execution those valuable and salutary purposes mentioned in said resolutions of congress.

The commissioners went accordingly and reported that it was expedient that laws should be enacted in those several states regulating the price of labor, internal produce, &c., and recommended the same by very great and weighty considerations. This state, impressed with a deep sense of the salutary effects that would flow from a system of regulation so wisely calculated to check the rapid depretiation and extortion, which, like a deluge threatened us with sudden ruin unless restrained by the legislatures confiding in our sister states, that they would at all times coöperate with us in measures

so wisely calculated and strongly recommended to promote the general good and save from impending ruin, did strictly adhere to the recommendations of the convention at New Haven, and we understand that the states of New York, New Jersey and Pennsylvania have adopted similar measures. But unhappy we are to say, that the states of Rhode Island, Massachusetts Bay and New Hampshire have hitherto neglected to acceed to the regulating system recommended by the convention at New Haven which has greatly imbarrassed us and threatens eventually to destroy the whole plan. The inclosed copy of a letter addressed to the states of Rhode Island, Massachusetts Bay and New Hampshire on the subject, will show the sentiments of this state as the inclosed copy of an answer thereto, from the state of the Massachusetts Bay will theirs. The state of Rhode Island have given us for answer that their local circumstances with respect to the great state of the Massachusetts Bay are such that it would not answer any one intention of congress or the convention for that state to adopt the measure without a concurrent conduct on the part of the Massachusetts Bay; have therefore postponed the consideration to a future day, yet assuming as they will on all occasions coöperate with the sister states in every measure that shall be agreed upon for the good of the whole. From the state of New Hampshire no answer has been received. Under these very disagreeable and embarrassed circumstances, considering on the one hand, in case the regulating act should be suspended or repealed, that unbounded spirit of avarice and extortion that will immediately catch from man to man like the most infectious disease corrupt the whole mass and in consequence produce such a rapid depreciation of our currency as will disband our armies and prevent the raising new troops; also that the states of New York, New Jersy and Pennsylvania, who met us in convention, having such confidence in us to carry into execution the regulating system as has induced them to cooperate with us in this salutary plan that we cannot with honor recede without mutual consent were it expedient

so to do. On the other hand the supplies purchased for the use of the armies not only of provisions but of cloathing, various other stores and transportation of the same procured in the states eastward of this, at such enormous prices as the very extended, but as we conceive increasing avarice of the vendors shall direct. Also their parts being less infested with British cruisers their importations will be proportionally increased. We must, therefore, beg leave to request the immediate attention of congress to this important object and cannot but flatter ourselves some means may be devised to render effectual the plan pointed out by congress in their resolve before mentioned.

I am with great esteem and regard,

(In behalf of the assembly of the state of Connecticut).

Sir, Your Humble Servant,

(JONATHAN TURNBULL.)

G.

Poetry, Epigrams, &c., Relating to the Continental Money.

The town meeting of May, 1779, referred to on page gave rise to a ballad [1] in which is found the following verse:

"The trained bands of Germantown
With clubs and bayonets came down,
And swelled the motley train;
Resolved to change, like him of old,
Old bags and lamp black into gold,
Or chaos bring again."

The LOYALIST POETRY OF THE REVOLUTION, edited by J. Francis Fisher and Winthrop Sargeant, contains the following:

p. 2 The American Times.
"There paper dollars, meagre famine holds."

p. 28 "Knave after knave, as easy we could join,
As new emissions of the paper coin."

p. 32 "Next Independence came, that German charm,
* * * * * * * * *
That conj'rer which conveys away your gold,
And gives you paper in its stead to hold."

Epigram from Rivington's *Gazette*, Oct. 4, 1780:

"A refugee captain lost two of his men;
And ardently wishing to have them again,
To the Major applied, on an exchange to fix,
And requested to know if for two he'd take six?
Major Adams agreed, nor said a word more,
And Paddy was order'd to fetch them ashore;
Who cried out in surprise: "By Ja — s, my honey,
Our men now depreciate as fast as our money."

1 Loyal verses of Stansbury and Odell. — *Munsell*, 1860.

p. 70. The *Congress;* written in the spring of 1776:

"With freemen's rights they wanton play;
At their command, we fast and pray;
With worthless paper they us pay;
A fine device of Congress ——— "

ODE ON SIR HENRY CLINTON'S RECALL.

Freeman's Journal, May 22, 1782, *quoted in McCarthy's songs, Vol.* 1, *p.* 270.

* * * * * * * * * *

Sir Henry, thy deeds have been mighty and many!
You said all our paper was not worth a penny;
('Tis nothing but rags, quoth honest Will Tryon,
Are rags to discourage the sons of the Lion?)

But Clinton thought thus: "it is folly to fight,
When things may by easier methods come right
There is such an art as counterfeit-ation,
And I'll do my utmost to honour our nation.

I'll show this damn'd country that I can enslave her
And that by the help of a skillful engraver
And then let the rebels take care of their bacon,
We'll play 'em a trick or I'm vastly mistaken.

But the project succeeded not quite to your liking;
So you paid off your artist, and gave up bill sticking.
But 'tis an affair I am glad you are quit on
You had surely been hang'd had you tried it in Brittain.

Tom Paine writes very severely of Sir Henry Clinton's action in permitting the continental money to be counterfeited and sold in New York. *Crisis*, p. 135, edit. Middletown, N. J., 1839.



THE GHOST OF CONTINENTAL MONEY.

(From McCarthy's Songs, Vol. I, p. 264.)

Though I'm dead and forgotten,
Though my carcase is rotten,
And my honours is sleeping in dust,
Yet my visage, so hoary,
Now rises before you,
To warn you my friend of the worst.

I advise you to lie
Where you are, and to die—
Oh!—ne'er to remove any farther:
Should you come from the womb,
You would wish it a tomb
You'd curse both the midwife and mother.

Why need I relate
That series of fate
Which plunged me in woe and disaster—
How I first was respected,
And then was rejected,
And last dwind down to a plaster.

The states, they united,
Their honour they plighted,
But all was a whim and a sham:
But before my escape sir,
Not all I could scrape sir,
Would buy the poor soldier a dram.

I have lived, to be sure
A while, to secure
The rights of a much injured nation
But I got all my living,
By a course of deceiving
That has sunk me in utter damnation.

I'm dead and departed—
But quickly I started

To hear of your sudden conception.
Old Tenor and I
Did sit down and cry
When we thought of your future deception.

Enough we have done,
Without you my son,
To turn the whole state topsy turvy!
Let our troubles then teach you,
We humbly beseech you,
To fly from a treatment so scurvy.

But your mother will say
She will dress you up gay,
With garments all wrought from her spinning.
You had better, I vage
Live still in your rage —
In fragments of cotton and linen.

For your mother is weak
She's lame and she's sick,
And quite in a helpless condition.
Not able I've said it,
To keep up your credit,
Or save your poor soul from perdition.

She will try but in vain
Your faith to maintain
By a tender on suits and contentions,
But no one will sue,
What then will you do,
You surely will make feuds and dissensions.

How will you contrive
My fate to survive
Your emblems are not worth a farthing.
The merchant will spite you,
The lawyer will slight you,
And priests will not care for your starving.

There's a foe in disguise
That will pick out your eyes,
And all your fine garments bespatter.
He is hard — you are soft —
Such struggles too oft
Turn out to the loss of the latter.

You may strive and may tease
But never will please —
You never will suit and content all:
So stay where you are:
Or alas! you will share,
The future of old *Continental.*

TRUMBULL'S McFINGALL.

N. Y. Putnam, 1864, pp. 160, 164.

CANTO IV.

"I look'd and saw with horror smitten,
Those hostile pow'rs averse to Britain.
When lo, an awful spectre rose,
With languid paleness on his brows;
Wan dropsies swell'd his form beneath,
And iced his bloated cheeks with death;
His tatter'd robes exposed him bare,
To ev'ry blast of under air;
On two weak crutches propt he stood,
That bent at ev'ry step he trod,
Gilt titles graced their sides so slender,
One, "Regulation" t'other "Tender"!;
His breastplate grav'd with various dates,
"The faith of all th' United States:"
Before him went his fun'ral pall,
His grave stood dug to wait his fall.
I started, and aghast I cried,
"What means this spectre at their side?

What danger from a Pow'r so vain,
And why he joins that splendid train?"
"Alas, great Malcolm cried, experience,
Might teach you not to trust appearance.
Here stands, as drest by fierce Bellona,
The ghost of Continental Money,
Of dame Necessity descended,
With whom credulity engender'd.
Tho' born with constitution frail,
And feeble strength that soon must fail;
Yet strangely vers'd in magic lore,
And gifted with transforming pow'r.
"His skill the wealth Peruvian joins
With diamonds of Brazilian mines.
As erst Jove fell by subtle wiles
On Danai's apron thro' the tiles,
In show'rs of gold; his potent hand
Shall shed like show'rs thro' all the land.
Less great the magic art was reckon'd,
Of tallies cast by Charles the second,
Or Law's famed Mississippi schemes,
Or all the wealth of Southern dreams.
For he of all the world alone
Owns the long sought Philos'pher's stone,
Restores the fab'lous times to view,
And proves the tale of Midas true.
O'er heaps of rags, he waves his wand,
All turn to gold at his command,
Provide for present wants and future,
Raise armies, victual, clothe, accoutre,
Adjourn our conquests by essoign,
Check Howe's advance and take Burgoyne,
Then makes all days of payment vain,
And turns all back to rags again.
In vain great Howe shall play his part,
To ape and counterfeit his art:

In vain shall Clinton, more belated,
A conj'rer turn to imitate it;
When like ill luck and pow'r as narrow,
They'l fare, like sor'cers of old Pharaoh,
When tho' the art they understood
Of turning rivers into blood,
And caus'd their frogs and snakes t' exist,
That with some merit croak'd and hiss'd.
Yet ne'er by ev'ry quaint device,
Could frame the true Mosaic lice.
He for the Whigs his arts shall try,
Their first, and long their sole ally;
A patriot firm, while breath he draws,
He'll perish in his country's cause;
And when his magic labours cease,
Lie buried in eternal peace."

An Explanation of the Devices on the Continental Bills of Credit with Conjectures of their Meaning. (*From an Almanac published in* 1777 *: cited in the Historical Magazine, vol. v, p.* 71.)

An emblematic device when rightly formed, is said to consist of two parts —a body and a mind, neither of which is intelligible without the aid of the other. The figure is called the body — the motto the mind. These that I am about to consider appear formed on that rule, and seem to relate to the present struggle between the colonies and the parent state for liberty, property and safety on the one hand; for absolute power and plunder on the other.

On one denomination of the bills there is the figure of a harp with this motto: *Majora Minoribus Consonant* — literally "the greater and smaller ones sound together." As the harp is an instrument composed of great and small strings, included in a strong frame, and also so tuned as to agree in concord with each other, I conceive that the frame may be made to represent our new govern-

ment by a continental congress, and the strings of different length and substance, either the several colonies of different weight and force, or the various marks of people in all of them who are now united by that government in the most perfect harmony.

On another bill is impressed a wild boar of the forest rushing on the spear of the hunter with this motto: *Aut Mors aut vita decora:* —which may be translated "Death or Liberty." The wild boar is an animal of great strength and courage, armed with long and sharp tusks which he well knows how to use in his own defence. He is inoffensive while suffered to enjoy his freedom, but when roused and wounded by the hunter, often turns and makes him pay dearly for his temerity.

On another is drawn an eagle on the wing, pouncing upon a crane, who turns upon his back and receives the eagle upon the point of his long bill, which pierces the eagle's breast, with this motto: "*Exitus in dubio est*"—The "event is uncertain." The eagle I suppose represents Great Britain; the crane America: this device offers an admonition to each of the contending parties—to the crane not to depend too much upon the success of its endeavors to avoid the contest (by petition, negotiation, &c.), but to prepare for using the means God and nature have given it; to the eagle not to presume on its strength, since a weaker bird may wound it mortally.

"*Sunt dubii eventus, incertaque prælia martis;*
Vincitur haud raro, qui prope victor erat."

On another bill we have a thorn which a hand seems attempting to eradicate: the hand appears to bleed as pricked by the spines. The motto is *Sustine vel Abstine:* which may be rendered "Bear with me or let me alone" or thus: "Either support or leave me." The bush I suppose to mean America, and the bleeding hand Britain. Would to God that bleeding were stopped, the wounds of the hand healed, and its future operation directed by wisdom and equity: so shall the hawthorn flourish and form a hedge around it, annoying with her thorns only its invading enemies.

Another has the figure of a beaver gnawing a large tree, with this motto: *Perseverando*—"By perseverance." I apprehend the great tree may be intended to represent the enormous power Great Britain has assumed over us, and endeavors by force of arms to tax us at pleasure, and bind us in all cases whatsoever: or the exorbitant profits she makes by monopolizing our commerce. Then the beaver, which is known to be able, by assiduous and steady working, to fell large trees, to signify America, which by perseverance in her present measures, will probably reduce that power within proper bounds, and by establishing the most necessary manufactures among ourselves abolish the British monopoly.

On another bill we have the plant acanthus, sprouting on all sides under a weight placed upon it, with the motto: *Depressa Resurgit*—"Though oppressed, it rises." The ancients tell us that the sight of such an accidental circumstance gave the first hint to an architect in forming the beautiful capital of the Corinthian column. This perhaps was intended to encourage us by representing that our present oppressions will not destroy us, but that they may by increasing our industry and forcing it into new courses, increase the prosperity of our country, and establish the prosperity on the base of liberty and the well proportioned pillar of property, elevated for a pleasing spectacle to all connoisseurs who can take delight in the architecture of human happiness.

The figures of a hand and flail, over sheaves of wheat, with the motto *Tribulatio Ditat*—"Threshing improves it" (which we find printed on another of the bills) may perhaps be intended to admonish us that although at present we are under the flail, its blow how hard soever will be rather advantageous than hurtful to us, for they will bring forth every grain of genius and merit in arts, manufactures, war and council that are now concealed in the husk, and then the breath of a breeze will be sufficient to separate us from all the chaff of toryism. Tribulation, too, in our English sense of the word, improves the mind; it makes us humble and tends to make us wiser.

And threshing in one of its senses, that of beating, often improves those that are threshed. Many an unwarlike nation have been beaten into heroes by troublesome, warlike neighbors: and the continuance of a war, though it lessens the numbers of a people, often increases its strength by increased discipline and consequent courage of the number remaining. Thus England after her civil war in which her people threshed one another, became more formidable to her neighbors. The public distress, too, that arises from war by increasing frugality and industry, often gives habits that remain after the war is over, and thereby naturally enriches those on whom it has enforced those enriching virtues.

Another of these bills has for its device, a storm, descending from a black heavy cloud with the motto: *Serenabit* — "It will clear up." This seems designed to encourage the dejected, who may be too sensible of present inconveniences and fear their continuance. It reminds them agreeably to the adage, that after a storm comes a calm; or, as Horace more elegantly has it:

> "*Informes hyemes reducit, Jupiter idem summovit,*
> *Non si male nunc, et olim*
> *Sic erit neque semper arcum tendit Apollo.*"

On another bill there is stamped the representation of a tempestuous sea: a face with swollen cheeks wrapped in a black cloud, appearing to blow violently on the waters, the waves high and all rolling one way. The motto *Vi Concitatæ*, which may be rendered "Raised by force." From the remotest antiquity in figurative language, great waters have signified the people, and waves an insurrection. The people of themselves are supposed to be as naturally inclined to be still as the waters to remain level and quiet. Their rising here does not appear to be from any internal cause, but from an external power expressed by the head Eolus, god of the winds (or Boreas, the north wind, as usually the most violent), acting furiously upon them. The black cloud perhaps designs the British parliament, and the waves the colonies. Their rolling all in one

direction shows that the very force used against them has produced their unanimity. On the reverse of this bill we have a smooth sea; the sails of a ship on that sea hanging loose, to show a perfect calm: the sun shining fully denotes a clear sky. The motto is *Cessante vento conquiescemus* — "The wind ceasing, we shall be quiet." Supposing my explanation of the preceding device to be right, this will import that when those violent acts of power which have aroused the colonies are repelled, they will return to their former tranquility. Britain seems thus charged with being the sole cause of the present civil war, at the same time that the only mode for putting an end to it is thus plainly pointed out to her.

The last is a wreath of laurel on a marble monument or altar, with the motto: *Si recte* — "If you act rightly." This seems intended as an encouragement to a brave and steady conduct in defence of our liberties, as it promises to crown with honor by the laurel wreath those who persevere to the end in well doing, and with a long duration of that honor expressed by the monument of marble. A learned friend of mine thinks this device more particularly addressed to the *Congress*. He says that the ancients composed for their heroes a wreath of laurel, oak and olive twigs interwoven, agreeably to the distich:

> "*E lauro, quercu, atque olea, duce, digna Corona,*
> *Prudentem, fortem, pacificumque decet* —"

Of laurel as that tree was dedicated to Apollo, and understood to signify knowledge and prudence; of oak as pertaining to Jupiter, and expressing fortitude; of olive as the tree of Pallas, and as a symbol of peace. The whole to show that those who are intrusted to conduct the affairs of mankind, should act prudently and firmly, retaining above all a pacific disposition. The wreath was first placed upon an altar to admonish the hero who was to be crowned with it, that true glory is founded on and proceeds from piety. My friend therefore thinks that the present device might intend a wreath of that composite kind, although from the smallness of the work the

engraver could not mark distinctly the differing leaves. And he is rather confirmed in his opinion that this is designed as an admonition to the congress when he is considering the passage in Horace from whence the motto is taken:

"*Rex eris aium*
Si recte facies."

To which also Antonius alludes:

"*Si recte faciet, non qui dominatur erit rex.*"

Not the king's parliament who act wrong, but the people's congress, if it act right, shall govern America.

*Poems occasioned by several circumstances, * * in the present grand contest of America for Liberty. By the Rev. Wheeler Case. * * New Haven*, 1778.

A CONTEST [1] BETWEEN THE EAGLE AND THE CRANE.

Composed February, 1776.

The morning all serene, the weather fair,
I walk'd abroad to take the pleasant air;
As I pursue'd my walk and raised my eye,
I saw an Eagle soaring towards the sky;
He spread his wings and skimmed along with ease,
Like a swift ship that's sailing o'er the seas;
With *Agur* I was struck with great surprise,
To see him form his circles in the skies:
From his exalted sphere he now with pride,
Look'd scornful down on every bird beside.
From this proud bird I turned my eyes around,
And saw a Crane upon the marshy ground;
She had no ill design, no ill she fear'd,
No proud or haughty airs in her appear'd,
In a defenceless state she stood,
Her time employed in picking up her food;

1 This refers to the device on the continental bill for three dollars. Editor.

'Till from aloft the Eagle swiftly flies —
As lightning quick he darted from the skies,
And struck her down: There on her back she lies.
Severe and sudden was the dire arrest,
His crooked talons planted in her breast,
I thought for quarters she aloud would cry,
Or else, it seemed she certainly must die.
No timid cry I hear, no plaint of woe,
She is resolved to die or kill her foe.
Resentment doth her injured breast inspire,
With dauntless courage and a martial fire;
The little champion boldly raised her head
From off the ground where she before had fed;
Her bill now pierced his throat, nor fears the Crane,
She sucks the Eagle's blood from every vein:
He droops his wings: all languid are his eyes,
He'll die unless he quit his hold and flies.

A lively striking emblem here you see
Of George the third and sons of Liberty.
This haughty Prince, when he began to *reign*
Did great exploits, defeated *France* and *Spain*.
His heart with pride was swell'd and lifted high,
He soared aloft like the eagle in the sky.
From exalted height he now looked down,
With pride and scorn on all the kingdoms 'round.
Not high enough, ambitious to be great,
Sagely consults his minister of State:
Betwixt them both and with the Devils' aid,
The horrid scheme is formed, the plan is laid,
Millions of free born subjects to enslave,
And fix the yoke of bondage on the brave:
To bow their necks beneath this iron yoke,
They threaten death and aim the fatal stroke.
Their fleets with troops are hovering on the shore,

With sword unsheath'd and awful cannon's roar.
Like the fierce Eagle darting from the skies,
Strikes down America, prostrate she lies:
Good heavens! said I, how sudden the arrest,
With glittering sword all pointed at their breast,
My heart was smote with grief, alas! said I,
They'll loose their freedom and their property:
Their souls too great! they know not how to yield,
To cry for quarter, or to quit the field:
Freedom's too dear to lose; in this grand strife
They'll risk their all, their treasure and their life.
A manly courage in their bosom glows,
Fearless they meet their most tremendous foes.
With keen resentment now they raise their head,
Rush to the fight and strike the Britons dead.
These with tormenting anguish feel the *Bill*,
Witness the blood that drenched all Bunker Hill.
On this blessed land, true liberty shall reign,
While *Britain's slaves* despair and bite their chain.
The Lord's your shield *Americans* fear not,
Your *bill* has pierced the lofty Eagle's throat;
The proud imperious Prince now feels his pains,
While fainting Britain bleeds through all her veins.
Heart sick she groans — we soon shall see her end,
Unless she spreads her wings and flies before the wind.

An Epigram on the motto of a continental two dollar Bill. "Tribulatio ditat" — thrashing makes rich.

(From Towne's *Evg. Post*, Feb. 19th, 1778. Signed *A Maryland Loyalist.*)

That thrashing makes rich the Congress do know,
Or else on their money they would not say so;
But what kind of thrashing they do not explain,
Whether beat by the English, or beating out grain;
And since we're left dark, we may fairly conclude
That both will enrich them, and both do them good.

INDEX.

Adams, John, letter of, 192.
16, 24, 25, 43, 162, 163, 165.
Address of Congress, 118, 137.
to be read from the pulpit, 91.
Advertisement in Pa. Packet, 99, 103, 113.
Albany, committee at, 129.
America, value of estates in, 52.
American Army, bad condition of, 85, 167.
mutiny of, 75.
Amount of Continental Money issued, 198, *et seq.*
Appointment of clergymen, 92.
Army provided for by citizens of Philadelphia, 168.
Arnold, B., ma'practices of, 106.
treason of, 168.
Articles of Confederation agreed to, 76.
Assessment of the colonies, 26.
Assignats, history of, 187, *note.*
Assize of bread, 117.
Associations formed to discredit Continental Money, 81.
formed to exchange Continental Money, 108.
Bache, Richard, 25.
Ballad, "The town meeting," 121.
Bank of North America, 169.
Bankruptcy of America, 127.
Base currency, resort to, 187.
Battle of Brandywine, 74.
Breed's Hill, 29.
Germantown, 75.
Monmouth, 92.
Biddle, Clement, 58.
Bills of Credit, definition of, 16.
Vide also *Continental Currency.*
Bills of Exchange issued by Congress, 91.
Blakey, John, letters of, 238.
Boston evacuated by the British, 46.
handbill posted at, 128.
meetings of merchants of, 129.
Brandywine, battle of, 74.
Braxton, Mr., 43.
Breck, 32, 100.
Breed's Hill, news of battle of, received in Philadelphia, 29.
British evacuate Boston, 46.
capture Philadelphia, 75.
evacuate Philadelphia, 92.
counterfeit Continental Currency, 70.
Bryan, Geo., 133.
Burgoyne advances into the states, 47.
surrender of,
Burial of Continental Money, 185.
Cadwalader, Gen. John, 132.
Caisse d'Escompte suspends payment, 174.
Camp at Morristown, 167.
Canada, invasion of, 30, 38, 49, 85.
address of Congress to, 39.
Case, Rev. Wheeler, 255.
Charleston, convention at, 69.
Circular letter to the states, 109.
Claims of soldiers, 193.
Clergymen, appointment of, 92.
Clymer, George, 25, 26, 79.

Coffee House, meeting at the, 124.
Colden, Gov., letter of, 16.
Colonies issue paper money, 29.
specie in the, 15.
jealousies of the, 13.
desire money of Congress, 27.
treasuries of the, empty, 14.
assessment of the, 27, *et passim.*
Cold Spring, 43.
Commerce prostrated, 13.
Commissioners to limit prices, 79.
arrive from Great Britain, 96.
Committee on currency appointed by New York, 17.
appointed by Congress to have engraved Continental Money, 25.
to sign the bills, 26.
on the finance of congress, 94.
report of, 94.
on taxation, 106.
Condition of the American Army, 86, 167.
Congress assembles at Philadelphia, 12, 16, 92.
borrows money, 17, 23, 65.
issues paper money,
adjourns to Baltimore, 59.
erects Loan office, 55.
establishes a lottery, 56.
authorizes conventions, 69.
assesses the colonies, 27, 77, 144.
appoints treasurers of the U. S., 24.
agrees to Articles of Confederation, 76.
recommends limitations of prices, 79.
resolves to borrow from France and Spain, 81, 179.
leaves Philadelphia, 75.
meets at Lancaster, 75.
meets at Yorktown, 75.
desires state money to be recalled, 82.
issues Bills of Exchange, 91.
new financial scheme of, 151.
address of, 137.
Congress, demands supplies, 149.
desires to regulate prices, 149.
recommends revision of tender laws, 155.
calls for specie taxes, 178.
approves Bank of N. America, 168.
calls for a statement of emissions, 180.
recommends repeal of tender laws, 180.
appoints Robert Morris financier general, 188.
taxes the states, 144, 190.
draws Bills of Exchange, 145.
resolves that it is inexpedient to pay past debts, 191.
liquidates loan office accounts, 191.
creates two new loans, 193.
redeems Continental Money at 100 for 1, 194.
bankrupt, 185.
Continental Currency, New York appoints a Committee on, 17.
letter from N. Y. Com. on, 17.
answer to, 18.
report of, 18.
colonies want a, 24.
emission of two millions dollars in, ordered, 24.
committee appointed to have plates engraved for the, 25.
form of the bills, 25.
committee appointed to sign the, 26.
colonies assessed for the redemption of the, 27.
as redeemed to be burned, 28.
Franklin proposes for the, to bear interest, 28.
to preserve the credit of, 29.
devices and maxims for the; composed by Franklin Thompson, 31.
second emission of, 32.
refused in Philadelphia, 37.
faith weakened in, 40.
resolution against those who refuse, 41.

Continental Currency, Tory poetry against, 44.
made legal tender by Va., N. Hamp. and N. Jersey, 49.
a debt of honor, 54.
depreciates alarmingly, 57.
made a legal tender in Massachusetts, 58.
advertisement for, 60.
resolution of Congress against those who refuse the, 63.
resolution of congress to preserve the credit of, 66
loses all value, 190.
redeemed by Congress, 194.
kept by its holders, 145.
origin, progress and downfall of, 195.
list of issues of, 197.
amount of issues of, 198, 199.
list of signers of, 200.
description of the, 201.
scales of depreciation of, 206, *et seq.*
refusal of, proceedings in relation to, 219.
documents relative to, 229.
Willis, N., bill in reference to, 229.
poetry relative to, 245.
ghost of, 247.
withdrawn from circulation, 99.
devices on, explained, 251.
repudiation of, proposed, 143.
depreciates to 41½ for 1, 145.
legal tender in Rhode Island, 30.
rises in value, 86.
issued by Congress, 24, 32, 72, 74, 75, 82, 85, 152, 197.
chiefly held in America, 164.
receives its death blow, 160.
rated at 40 for 1, 155.
counterfeited 43, 70, 98, 146, 231.
counterfeits of, seized, 71, 231.
depreciates, 72.
a legal tender, 29.
to be redeemed, 26.
Continental Currency, form of notes, 24.
signers of, appointed, 25, 200.
discredited by association, 81.
works iniquity, 186.
burial of, 185.
death of, 182.
depreciates, 175.
Connecticut line, mutiny of, 148.
Constitution, hostility to the new, 192.
Contest between the Eagle and the Crane, 256.
Convention of the New England states, 149.
Conventions to settle prices, 69.
Conway Cabal, 85.
Cooper, Sir Gray, 58.
Cowgill, John, 220.
Cornwallis, capture of, 170.
Counterfeits, 43, 70, 98, 146, 231.
ship load of, seized, 71. See *Continental Currency.*
Crops, scantiness of, 95.
Currency, report on, 18.
private, 46.
thoughts on a paper, 113.
depreciates to 41½ for 1, 145. See *Continental Currency.*
Cushing, Mr., 32.
Dawkins, H., counterfeits continental currency, 43.
Dartmouth, Earl of, 16.
Death of Continental Money, 182.
Deane, Mr., 32, 97, 118.
S., letter of, 60.
Debt of the U. S., false statement of the, 86.
in 1790, 193.
of the states in 1790, 194.
Delaware, meeting in, 132.
De la Luzerne, Chev., 163, 166.
Depreciation, tables of, 206, *et seq.*
Webster's table of, 217.
Description of Continental notes, 201, 251.
Devices on Continental notes, 201, 251.
De Vergennes, 162, 166.
Dickenson, Gaius, 221.

Dickinson, Mr., 118.
Philemon, letter of, 59.
Documents relating to Continental Money, 227.
Drawing of U. S. lottery postponed, 85.
Drinker, J., 223.
Drayton, W. H., 178.
Duane, James, 24.
William, 118.
Eagle and Crane, 256.
Embargo laid by Pa., 92.
England issues gun money, 187.
Estates in Pa., value of, 52.
Expenses of 1778, 99.
Financier general appointed, 188.
Finance, new scheme of, 151.
Fisher, Joshua, 219.
Fitzsimons, Thomas, 108.
Form of Continental notes, 24.
Franklin, B., 24, 25, 27, 28, 31, 32, 44, 162, 166.
French fleet comes to America, 92.
Fund, sinking, commenced, 98.
George III, 48.
Georgia not represented, 26.
exempted from taxes, 107.
Germantown, battle of, 75.
Gerry, Mr., 42.
Ghost of Continental Money, 247.
Gilliland, Wm., 222.
Goertz, Baron, 187.
Gun Money, 187.
Gunpowder purchased by Congress, 23.
Hamilton, A., Report of, 192.
Hard money plentiful, 173.
Hillegas, M., 24, 25, 26, 74, 149, 229.
letters of, 227, 233, 237.
Holders retain Continental Money, 195.
Hopkins, Stephen, 241.
Hopkinson, F., 92.
Hosmer, Wm., letter of, 93.
Hostility to the new constitution, 182.
Howe, Gen., 70.
Huntington, S., letter of, 229.
Inefficacy of tender laws, 84.
Iniquities wrought by Continental Money, 186.
Invasion of Canada, 30.
Issues of Continental Money, 197.
James II, 187.
Jarrett, Wm., 223.
Jay, John, 115.
Jealousies of the states, 195.
Jefferson's table of emissions, 199.
Jones, Owen, 219.
Lafayette, letter of, 235.
Lancaster, meeting at, 131,
Congress meets at, 75.
Lang, James, letter of, 72.
Letter of John Adams, 192.
James Madison, 192.
President Reed, 189.
Massachusetts Legislature, 190.
Gen. Washington, 143, 145.
James Read, 74.
New York Assembly, 17.
S. Hopkins, 241.
J. Turnbull, 242.
John Blakey, 238.
Samuel Huntington, 229.
M. Hillegas, 227, 233, 237.
Lafayette, 235.
R. Troup, 237.
De Vergennes, 162, 165.
Mr. Duane, 24.
James Lang, 72.
Gov. Tryon, 41.
Richard Morris, 60, 65.
Gov. Colden, 16.
to New York delegation, 17.
Hosmer, Wm., 93.
Leather money, 187.
Lee, Gen., capture of, 65.
Legal tender, vide *Tender*.
Limitation of prices, 69.
Loan office system, 55.
at Wilmington, captured, 75.
certificates, liquidated, 191.
Long Island, battle of, 48.
Lottery of the U. S., 56, 71, 85, 91.
Mandates, 188, *note*.
Massachusetts legislature, letter of, 190.
Matlack, T., 58, 74.
Maryland militia, resolutions of, 129.

Marshall, C., 131.
McDougall, Gen., 114.
McFingal, 249.
McKinley, President of Delaware, captured, 75.
Meeting in State House yard, 122.
Money, leather, &c., 187.
Monmouth, battle of, 92.
Montgomery, Gen., death of, 40.
Morris, R., 60, 65, 124, 127, 188, 189.
Morristown, camp at, 148, 167.
Moultrie, Fort, defence of, 47.
Mutiny of American troops, 75, 148, 177.
Names of signers of Continental Currency, 200.
Nelson, Mr., 32, 42.
New England states, convention of, 149.
New scheme of finance, 151.
New York appoints a committee on Continental Currency, 17.
receives report of committee, 18.
British army at, 48.
North America, Bank of, 169.
Notes, form of, 24.
Notice from Philadelphia committee, 124.
Ode to Sir Henry Clinton, 246.
Paine, Thomas, 48.
Paper Money, nature of, 16. See *Continental Currency*.
party, 192.
riots, 192.
Paschall, Stephen, 25.
Penalty on engrossers and forestallers, 117.
Pennsylvania issues notes, 180.
council of, resolutions of, 116.
address to the people of, 50.
line, mutiny of the, 177.
Petition to the council of Pa., 132.
Philip II, of Spain, 47.
Philadelphia, Congress meets at, 12, 16, 92.
captured by the British, 75.
evacuated, 92.
Light Horse, 31.
refusal of Cont. Currency in, 37.
Philadelphia, Putnam takes command at, 59.
citizens of, provide for the army, 168.
Artillery Co., resolutions of 180.
Republican Society of, 108.
Town meeting at, 121.
letter from, 104.
Pound, value of in Pennsylvania, 72, *note*.
Prices, regulation of, 149.
Providence, convention at, 69.
Putnam, Gen., takes command at Philadelphia, 59.
general orders of, 59.
Quakers, sufferings of the, 73.
Quebec, attack on, 39.
Revision of tender laws, 155.
Read, James, letter of, 74.
Regulation of prices, 149.
Reed, Jos., 114, 117, 134, 189.
Refusal of Cont. Money, 219.
Report of A. Hamilton, 192.
the Treasury Board, 118.
com. N. Y. Legislature, 18.
Repeal of tender laws, 180, 182.
Republican Society of Pa., 108.
Repudiation of Continental Money proposed, 143.
Rhode Island declares Continental Money legal tender, 29.
Richardson, Joseph, 219.
Riots, Paper Money, 192.
Rittenhouse, D., 31, 58.
Roberdeau, Col., 75, 121.
Rogers, Thomas, 225.
Rutledge, John, 25.
Rutherford, Robert, 105.
Scheme, new financial, 151.
Schuyler, Gen., 31, 39.
Sermon, Thos., 225.
Seizure of counterfeit money, 71.
Signers of Continental notes, 200.
Soldiers, claims of, 193.
Specie in the Colonies in 1775, 15.
plenty in the U. S., 173.
States, jealousy of the, 195.
requested to recall paper currency, 70, 82.

Statement of debt of America, 86.
Sufferings of the Quakers, 73.
Supplies from N. E. States tardy, 83.
Sweden issues a base currency, 187.
Taxes laid by Congress, 77, 144.
called for in specie, 177.
Tender laws ineffectual, 84.
injurious, 155.
revision of, 155.
repeal of, 180, 181.
Thomson, C., 31, 32, 103.
Ticonderoga, specie at, 65.
Trade brisk in the colonies, 173.
Treasurers of the U. S. appointed, 25.
of loans appointed, 92.
Treasury remodeled, 94, 137.
officers appointed, 97.
report of, 118.
Tryon, Gov., letter of, 41.
Valley Forge, American army at, 80.
Washington, Gen., 48, 62, 70, 115, 135, 143, 145.
despairs, 106.
refuses Continental Currency, 135.
Webster, Peletiah, 44, 53, 183, *note*.
Wharton, Mr., 62.
Willing, Mr., 42.
Willis, N., 228.
Wilmington loan office captured, 75.
Wilson, James, 25.
Witherspoon, Dr., 160.
Yorktown, Congress meets at, 75.
convention at, 69.
Zane, Jonathan, 219.

FINIS.

332.5
P559
10-
2 vols
c.1 ex

HISTORICAL ACCOUNT

OF THE

PAPER CURRENCY

OF THE

AMERICAN COLONIES.

VOL. I.

HISTORICAL SKETCHES.

OF

AMERICAN PAPER CURRENCY.

VOL. II.











STANFORD UNIVERSITY LIBRARIES
STANFORD AUXILIARY LIBRARY
STANFORD, CALIFORNIA 94305-6004
(650) 723-9201
salcirc@sulmail.stanford.edu
All books are subject to recall.
DATE DUE

OCT 12 2001
JUL 01 2002

